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|---|---|---|
| Austria ... Sch 15 | Indonesia Rp 1600 | Philippines . Pes 20 |
| Bahrain .. Din 0.650 | Italy .... L 1100 | Portugal .. Esc 65 |
| Belgium .... BFr 35 | Japan ....... Y550 | S Arabia .. Rls 6.00 |
| Canada ... C$2 50 | Jordan ... Fils 500 | Singapore . S$ 4 10 |
| Denmark .. DKr 7 00 | Kuwait .. Fils 500 | Spain ..... Pta 95 |
| Egypt .... E£1.00 | Lebanon .. L£ 6 00 | Sweden .. Skr 6 50 |
| Finland .. Fmk 5 00 | Luxembourg LFr 35 | Switzerland SwFr 2 |
| France .. FFr 5 00 | Malaysia .. Rm 4.25 | Tunisia .. Din 0.600 |
| Germany . DM 2 00 | Morocco .. Dh 6.00 | Turkey ... L 130 |
| Greece ..... Dr 60 | Netherlands Fl 2.25 | U.A.E. ... Dh 6.50 |
| India .... Rup. 15 | Norway . NKr 6.00 | U.S.A. .... $1 50 |


# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,995

Wednesday February 9 1983

D 8523 B


**Europe's aluminium: painful choices ahead, Page 12**

## NEWS SUMMARY

**GENERAL**

## UK curbs on milk imports 'illegal'

**Britain has been told to dismantle its tough restrictions on imports of milk from other EEC countries. The European Court of Justice said the curbs broke Common Market free trade rules.**

The court said a British import licensing system on imports of UHT milk – milk treated to give it a shelf life of six months – was contrary to the Treaty of Rome. UHT milk is cheaper in continental Europe than in Britain and France had complained the British rules were keeping French dairy products out of the UK market.

British Agriculture Minister Peter Walker said the Government would comply with the court's ruling. **Page 14; Background, Page 29**

### N-decision delayed

EEC research ministers have postponed until March 10 a decision to scrap the "Super Sara" project for studying nuclear accidents to see if a modified programme can be devised. **Page 2**

### Assam deaths

Three died when police in Assam, north-east India, opened fire on demonstrators against illegal Bangladeshi immigrants being allowed to vote in elections. Two of the state's three oil refineries were closed by strikes. **Page 4**

### Iran spy charges

Iranian Communist Party chief Nureddin Kianuri and members of the central committee have been arrested on spying charges.

### Turkish party pledge

Former Turkish Deputy Prime Minister Turgut Ozal promised to form a party when the ban on political activity is lifted in the spring.

### Missile test

The U.S. tested a non-nuclear missile designed to destroy attacking Soviet nuclear warheads outside the atmosphere.

### Argentine Mirages

Argentina has taken delivery of 20 Mirage III fighter-bombers. It has now bought 70 since the Falklands fighting.

### Human rights report

Reagan Administration said human rights under right-wing governments had improved in the past year, but Communist regimes remained harsh.

### Tanaka claim

Former Japanese Premier Kakuei Tanaka received Y500m (about $2bn) from Marubeni Corporation when in office, but not for helping sell Lockheed airliners, his former private secretary said, **Page 4**

### Honour for gunrunner

A man who admitted smuggling weapons to the IRA has been nominated as grand marshal of New York's St Patrick's Day parade.

### Big spender

A seven-year-old West German boy stole his father's life savings of DM 54,000 ($22,000) and went on a shopping spree, coming home with only a toy gun and no idea where the rest of the money had gone.

### Briefly . . .

French airline employees called a 24-hour strike for February 18.

Melbourne dust storm plunged the city into daytime darkness.

Fidel Castro, Cuban leader, will visit Spain, France and Sweden this year.

**BUSINESS**

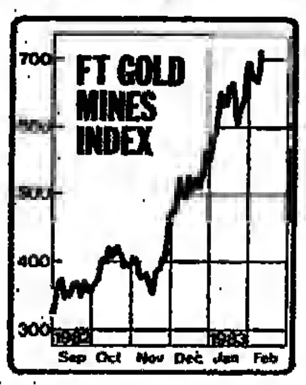
## UK group signs for Far East plant

● **DAVY McKEE, part of UK engineering group Davy Corporation, has received a letter of intent to build an electric arc furnace steel plant in the Philippines. The contract could be worth £220m ($338m). Page 14**

● **DOLLAR lost ground in London, closing at DM 2.441 (DM 2.4525), FFr 6.9225 (FFr 6.9575), SwFr 2.0165 (SwFr 2.023) and Y237.3 (Y237.5). Bank of England trade-weighting was 120.1 (121.1). Page 32**

● **STERLING rose 50 points to $1.5375. It eased to DM 3.755 (DM 3.76) and FFr 10.6425 (FFr 10.665) and held at SwFr 3.1025. Its trade-weighting remained at 81.2. Page 32**

● **GOLD rose $4.25 in London to $497.25, and by $6 in Frankfurt and Zurich to $497.5. Page 29. The FT Gold Mines index gained 37 points to a record 712. Page 25**




● **WALL STREET: Dow Jones index closed down 11.77 at 1075.33. Page 25. Full share listings. Pages 26-28.**

● **LONDON: FT Industrial Ordinary index rose 6.4 to a record 649.4. Government Securities also moved ahead. Page 25. FT Share Information Service. Pages 30-31**

● **TOKYO: Nikkei Dow index advanced 16.29 to 8,027.20. Stock Exchange index was up 1.01 at 584.48. Pages 25, 28**

● **HONG KONG: Hang Seng index gained 5.83 to 896.84. Pages 25, 28**

● **AUSTRALIAN all-shares index recovered by 1.1 to 504.3. Pages 25, 28. Election nerves depress shares. Page 16**

● **FRANKFURT: Commerzbank index moved ahead 4.0 to 764.7. Pages 25, 28**

● **OPEC** countries' balance of payments went into a deficit of perhaps $18bn last year (1981, $60bn surplus), said the president of the Arab Banking Corporation. ABC results, **Page 16**

● **PORTUGAL** has agreed to accept Angolan crude oil in part-payment for upgrading a dam in one of Angola's major hydro-electric schemes.

● **JAPANESE** makers of video tape recorders are said to be prepared to limit exports to EEC countries.

● **TAIWAN** is to seek trademark and patent protection agreements with the U.S., Japan and European countries.

**COMPANIES**

● **BARCLAYS NATIONAL and Standard Bank,** South Africa's largest banks, saw pre-tax operating income rise in 1982: Barclays' by 22.3 per cent to R152.5m ($141.5m) and Standard's 52.8 per cent to R130.1m.

● **OERLIKON-BUEHRLE Holding,** Zurich-based parent of the diversified industrial group, reported 1982 turnover up 4 per cent to SwFr 4.15bn ($2.04bn).

● **NETHERLANDS RAILWAYS** fears the Government may cut services after freight traffic fell 13 per cent in 1982 and passenger traffic rose only slightly. **Page 2**

● **ANHEUSER-BUSCH** of the U.S., which claims to be the world's largest brewer, reported net income of $287.3m in 1982 (1981, $217.4m).

# Massacre report sparks crisis for Begin Government

**BY DAVID LENNON IN TEL AVIV**

**The Israeli Government was plunged into a major crisis yesterday by the severely critical report of the Commission of Inquiry into Israel's role in the massacre of Palestinian refugees in Beirut last September.**

Mr Menahem Begin, the Prime Minister, had said that if the report cast any shadow of blame on him, be would resign. In its findings, published yesterday, the Commission did just that, holding the Premier partly responsible for wbat happeoed.

But the major blame and criticism was directed at Gen Ariel Sharon, the Defence Minister. The Commission recommended that he should either resign or be dismissed.

It also castigated Gen Rafal Eitan, the Army Chief-of-Staff, but stopped short of calling for his dismissal in view of his impending retirement, and urged the immediate sacking of the director of military intelligence. Other senior officers are severely censured.

A defiant Gen Sharon was initially said to have told an extraordinary session of the cabinet yesterday that be would not resign, and Mr Begin to bave informed the ministers that he would not dismiss him.

The key finding of the commission was that although the slaughter was carried out by the Lebanese Christian Phalangist forces, Israel was responsible for sending them into the Sabra and Chatila camps. Israel's political and military leaders were guilty of ignoring the predictable danger that they would wreak vengeance on the Palestinians for the assassination of their leader, President-elect Bashir Gemayel.

The commission's findings could lead to the fall of the government and possibly new elections. Mr Begin held intense consultations with his ministers and coalibon partners yesterday as be considered how to respond to the report and wbether or not to accept its recommendabons.

The cabinet is due to reconvene today to continue its discussion of the report and how to implement its recommendations if they are accepted, as expected.

But if Mr Begin does decide to continue in office then there is likely to be a majority in the cabinet prepared to vote for the dismissal of the Defence Minister, even against Mr Begin's wishes.

The report could also have a major impact oo the Lebanese peace talks. With the Defence Minister, the army chief-of-staff, and bead of military intelligence discredited, there could be a change of policy on the terms of Israeli withdrawal from Lebanon, even within a Begin Government.

The opposition Labour Party is waiting until after the cabinet makes its decisioo before commenting officially on the report. However, individual members of the Labour Party yesterday called no the Government to resign and thus accept its responsibility.

Labour is boping that if Mr Begin does resign, without asking the Knesset to pass a bill calling for new elections, then President Yitzhak Navon will call on Labour, as the largest single party in the Knesset, to try to form a new administration.

Cabinet Ministers bave also refrained from public statements.

● **Reginald Dale, U.S. Editor, adds from Washington:** The White House and the U.S. State Department declined to comment on the report's findings yesterday, describing them as an internal Israeli affair.

**Details, reaction, Page 3; Editorial comment, Page 12**

# IMF will consider more frequent quota increases

**BY ANATOLE KALETSKY IN WASHINGTON**

THE Internatiooal Monetary Fund (IMF) is to consider shortening the present five-year period between its regular increases in its membership subscriptions, or quotas, in order to bridge the difference of views on quota increases between the U.S. and the fund's other members, according to some IMF officials.

The idea will be discussed at this week's meeting in Washington of the IMF interim committee in response to the Reagan Administration's insistence that the 1983 quota increase must be confined to a maximum of 50 per cent. All other members would prefer a larger increase because internal IMF estimates suggest that 50 per cent may only be sufficient to meet the growing demands on the fund for about three years.

Bringing the next general review of quotas forward from 1988, as mandated at present in the IMF's articles of agreement, would be one way of resolving this problem. Another would be to allow the fund to create and distribute new Special Drawing Rights to its members.

Senior officials believe the interim committee will ask the IMF executive board to prepare details on both proposals for the full annual IMF meeting in September in Washington.

Mr Donald Regan, the U.S. Treasury secretary, said yesterday the U.S. remains opposed to larger quota increases. But he attributed his opposibon solely to the concern in the U.S. Congress about the Reagan Administraboo's "huge" budget deficits. He did not sav the Administration was opposed in principle to additional increases in IMF resources.

The U.S. had no specific positions as yet either on the SDR distribution or oo shortening the period between quota increases, he said at a special briefing ahead of the interim committee meeting.

Many IMF officials question the Reagan Administration's sincerity in citing Congress as the main obstacle to larger IMF quota increases. They point out that congressional opponents of increased IMF funding fall into two sbarply divided camps, which are unlikely to cooperate in blocking the Administration's IMF request.

On the rigbt of the Republican Party the IMF is opposed in principle because it is seen as a development-aid institubon which provides funds for countries which are polibcally unfriendly to the U.S.

The U.S. should not "disburse aid Independently of our national security and foreign policy interests," Mr Paul Craig Roberts, a former assistant Treasury Secretary in the Reagan Administratioo wrote recetntly, summarising this point of view.

In addibon, the IMF's lending policies are considered too liberal by this faction. A recent editorial in the Wall Street Journal said, for example, that "to our knowledge not a single country bas been refused" by the IMF on economic grounds.

In the Democrabc Party, opposition to the IMF is mainly tactical. Congressmen are reluctant to vote for IMF funding at the same time as the Reagan Administratioo is cutting social programmes at bome.

# Alcan to cut 1,200 jobs in Britain

**BY MARK MEREDITH IN EDINBURGH**

BRITISH ALCAN Aluminium yesterday announced 1,200 job losses in a rationalisabon programme for aluminium production in Britain. The plan, following November's merger of British Aluminium with Alcan, cuts capacity in rolling and extrusion and reduces output to correspond with the slump in world-wide demand for aluminium.

About 700 jobs will go at Falkirk in Scotland, wbere a bot mill and two of the three cold mills will close, but 360 jobs will be kept for cold rolling and finishing.

At Rogerstone in South-Wales production of alloy extrusions will stop with the loss of 350 jobs. Rolling aluminium foil will cease at the Alcan plates factory at Kitts Green near Birmingbam, with between 100 and 200 job losses.

Mr George Russell, British Alcan's managing director, said job losses from the merged companies workforce of 13,000 would bave beeo greater if Britisb Aluminium and Alcan had remained separate.

He said following losses of about £50m ($76.5m) for the two companies together two years ago and £30m to £40m last year, the rabonalisation made break-even possible.

Hot rolling will be transferred from Falkirk to Rogerstone. Foil

**Continued on Page 14**

**Painful choices face Europe, Page 12; Lex, Page 14; Smelter saved, Page 15**

# BA may buy 20 U.S. jets

**By Michael Donne in London**

BRITISH AIRWAYS may place orders worth more than £600m with Boeing or McDonnell Douglas of the U.S. for a fleet of up to 20 new small sbort-range jet airliners.

The two corporations have been asked to give financial quotations for the aircraft, whicb will be for delivery from 1985–86 to replace ageing Tridents and One-Elevens, with perbaps up to another 10 aircraft for delivery in the later 1980s.

The total value of such a package, including spares, would be more than £600m ($920m). Orders could be placed late this year or in 1984.

**Continued on Page 14**

# Saudis in $6bn oil deal with Iraq

**By Patrick Cockburn in London**

**SAUDI ARABIA has reluctantly agreed to pay $6bn to Iraq over the next six months, according to diplomats. This is in addition to loans of more than $25bn already made to Iraq by Saudi Arabia, Kuwait, Quatar and the United Arab Emirates (UAE) since the start of its war with Iran in 1980.**

**Iraq's financial position has deteriorated sharply sicne its oil pipeline across Syria was closed last April, reducing its oil exports to below 650,000 barrels a day (b/d) compared with 3.3m b/d before the war.**

**The Saudis are selling their own oil on behalf of Iraq to Japan and France. The income from these sales is credited to Baghdad and, in the case of France, is understood to pay for French weapons which are supplied to Iraq.**

**Kuwait, Qatar and the UAE are extremely reluctant to make further payments – officially described as loans – to Iraq because their oil revenues have diminished and they see no sign of the war ending.**

**The Iraqis have traditionally refused to divulge their financial reserves but bankers believe these have fallen to at the most $6–8bn, excluding gold.**

**The Iraqis have now asked almost every major contractor in their country to arrange outside financing for the projects on which they are working, if they wish to continue the work. This is a serious blow to the construction industry in the Middle East since Iraq is the largest market in the region after Saudi Arabia. It signed contracts worth $37bn in 1980-81.**

**British exports to Iraq were worth £875m last year, making it the UK's second largest market in the Middle East. Most of these sales were for supply contracts and these are less affected by Baghdad's financial difficulties. Japan, West Germany and France are more heavily involved in the major construction contracts now under threat.**

**Meanwhile, both Iran and Iraq continue to make conflicting claims on the latest Iranian offensive which started last Sunday.**

**Despite initial Iranian claims that this is an all-out attack, bigger than anything seen since the start of the war, diplomats say that it seems to be a more limited offensive.**

# Banks told to continue loans in debt crisis

**BY WILLIAM HALL, BANKING CORRESPONDENT, IN LONDON**

THE Bank of England and the Federal Reserve Bank of New York bave instructed their domestic banks to maintain short-term credit lines to the foreign branches of banks from countries in serious difficulty with their debts. They fear that any sudden withdrawal of short term deposits could jeopardise rescue packages.

As the international debt crisis bas worsened in the last six months commercial banks bave tried to divorce arrangements for rescheduling the government and commercial debts of countries in trouble from their short-term activities in the money markets.

Lord Ricbardson, Governor of the Bank of England and one of the tbree key figures in the internatiooal debt crisis, outlined publicly and for the first time last night, bowever, the degree to which the U.S. and UK authorities have been urging the commercial banks' to maintain their sbort-term money market acbvities lo an effort to stave off a crisis.

Speaking at the annual banquet of the Overseas Bankers Club in London last nigbt, Lord Richardson said the world's central banks had beeo involved in "emergency management aimed at figbting fires" in the last six months.

He singled out the inter-bank market, used by international banks to fund themselves and regarded by many as the Achilles heel of the international bankiog system, as one of the problem areas wbere the autborities have bad to change their attitudes as the crisis has deepened.

"What has been required is a shared recognition that the participation of commercial banks in international lending carries with it responsibilities which the banking community as a whole cannot avoid," Lord Richardson said.

The foreign branches of banks from some countries in difficulty bad taken very substantial short-term deposits from other banks and often lent them back at longer term to their home countries.

These short-term deposits were so large that any significant withdrawal of them would have jeopardised the whole package of support facilities. Moreover, if some banks succeeded in reducing their exposure, through tightening up on the short-term facilities others would be strongly tempted to follow, Lord Richardson said.

Lord Richardson did not name the countries where particular concern is felt on this issue, but foreign branches of some Brazillan and Mexican banks have run into difficulties in seeking funding in the short-term interbank markets.

Many commercial bankers have voiced concern that foreign branches of certain banks were be-

**Continued on Page 14**

# Goodyear takes over U.S. energy concern

**BY RICHARD LAMBERT IN NEW YORK**

GOODYEAR Tire and Rubber, the world's biggest tyre maker, is making an agreed bid worth around $825m for Celeroo Corp, a Louisiana-based energy concern. The move represents a major diversification for Goodyear, whicb currently generates around four-fifths of its sales from tyres and related products.

Although the subject of the bid is a surprise, Goodyear has been hinting for some time that it migbt be on the point of a big step into new businesses. It set up a task force over a year ago to study diversification opportunities, and the group said yesterday that the bid for Celeron met its objectives of "maintaining its posibon as the world's number ooe tyre manufacturer wbile reducing dependence on the automotive field whicb is considered cyclical in nature."

Celeron operates natural gas transmission systems, mainly in Louisiana, and is also involved in a wide range of oil and natural gas related activities. It has a strong earnings record, but its profits in 1982 were hit by weak demand and poor prices for natural gas.

Goodyear's bid follows a period of major investment in the U.S. and overseas in an apparently successful attempt to catch up with Michelin's early lead in radial tyres. Its sbare of the U.S. market for passenger car tyres is arouod 30 per cent, and it has also been pushing hard

**Continued on Page 14**



CONTENTS

# Brussels postpones final decision on N-safety programme

BY GILES MERRITT IN BRUSSELS

THE FATE of the European Community's expensive and controversial "Super Sara" nuclear safety project—for studying accidents such as that on Three Mile Island in the U.S.—was yesterday settled by EEC member-governments but not formally sealed.

The abandonment of the nuclear safety study launched by the EEC less than two years ago has been postponed until March 10. Then, Research Ministers will hold a special meeting to see if any modified programme can be proposed by the European Commission as an alternative to scrapping "Super Sara."

The four-year study is already some two-and-a-half years behind schedule, because of political and technical delays, and has run considerably over budget.

Its initial cost of 54m European currency units (£32.9m) has now soared to 174m Ecu, with 72m Ecu of that amount already spent.

Parallel research in the U.S., Canada, France and West Germany, furthermore, has reached the point where "Super Sara's" own findings by 1986 would be comparatively modest.

It was clear at yesterday's EEC Research Council meeting that the majority of Ministers are anxious to bring the ill-fated programme to a rapid conclusion.

This is not only because any further delay will jeopardise its viability, but also because ministers hope to erase charges that political interference by the Ten has contributed strongly to "Super Sara's" failure.

On the eve of yesterday's Council meeting, Viscount Etienne Davignon, the EEC Industry Commissioner, claimed publicly that the member-governments were "largely responsible."

The EEC Research Ministers carefully forbore to discuss the reasons for the costly nuclear research débâcle. But they did consider M Davignon's warning that in future, major EEC research drives should be freed of political reassessments, in order to develop a momentum of their own.

The European Commission is concerned that future programmes in the 3.7bn Ecu 1984-87 Research and Development framework plan should not suffer similar problems.

EEC governments were yesterday generally in favour of the plan, but made no commitment to the overall budget that would raise R & D spending from its present 2.6 per cent of the EEC budget to around 4 per cent.

Britain urged that resources at the EEC's Joint Research Centre at Ispra, Italy which are at present devoted to "Super Sara" should in future be concentrated on research into radioactive waste problems.

# Paris and regions join to save paper concern

BY DAVID HOUSEGO IN PARIS

CELLULOSE DE STRASBOURG, the French paper concern that was part of the now-defunct Groupement Europeen de la Cellulose (GEC), has been saved from closure by combined support from the Government and the regional authority.

The government and the regional authorities of Alsace Lorraine and Franche Comte are to put up FFr 50m ($7.2m) as part of the rescue operation. At the same time, the company's 360 workers have agreed to a wage freeze for 1983 while the local wood industry is to cut prices of chips it provides as feedstock by 22 per cent.

Cellulose de Strasbourg ceased production after a two-year management contract with the U.S. group Parsons and Whitmore which expired on January 1. The company, reflecting the ailing state of much of the French paper industry, had been making losses of FFr 20m a year.

The French Government had offered to put up a half share of the proposed FFr 50m needed to restructure the enterprise but until now the local authorities have held back from making a contribution. They have come under continuing union pressure backed by large demonstrations.

Under the new plan, it is intended that Cellulose will return to profit over a five-year period. GEC, once reckoned to be the largest European paper industry, collapsed in 1980 in spite of 50 injections of state aid.

# Calls grow for Barbie to face death sentence

LYONS – calls are growing that French law should be changed to enable Klaus Barbie, the former Gestapo officer, to be executed if found guilty of crimes against humanity.

Barbie, in prison in Lyons since his expulsion from Bolivia, faces a maximum sentence of life imprisonment under present law. The death penalty was abolished in France in 1981.

M Francois Leotard, secretary-general of the opposition Republican Party led by former President Valery Giscard d'Estaing said he hoped Barbie would be guillotined if found guilty.

"Other countries have changed their law to meet this kind of situation," he said in Paris. "And I hope France will do likewise."

Barbie, who is 69, is accused of murdering or deporting thousands of Jews and resistance fighters in Lyons between 1942 and 1944 as well as killing Jean Moulin, the resistance leader.

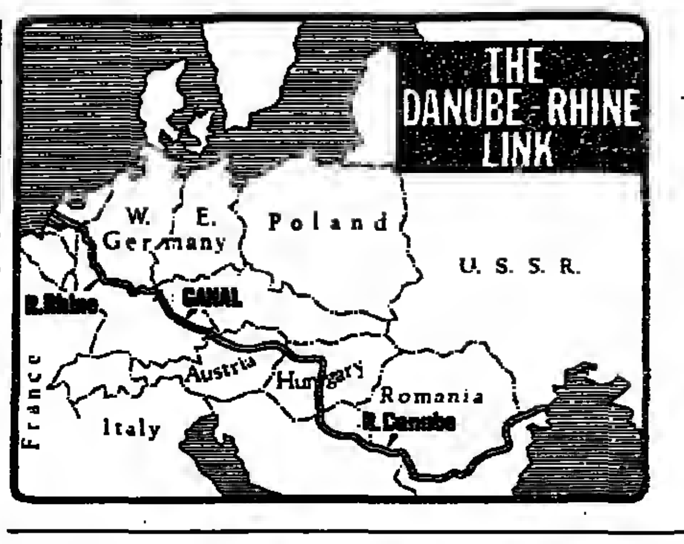
The idea that Barbie should face a death sentence has also been raised by Senator Caillavet, a member of the leftist MRG party which supports the Government.

The return of Barbie to Lyons has evoked new evidence of atrocities allegedly committed by the former Gestapo chief. More survivors have come forward with stories of brutal beatings and deportation to concentration camps. Six private prosecutions have already been started against him.

The affair has also rekindled collaborationist animosities. Journalist M Serge July said yesterday: "French society which has known more informers than real members of the resistance, is going to savour the bitter fruits of denunciation again."

Barbie's arrest has reawakened the controversy surrounding the betrayal of Jean Moulin. The identity of the informer has never been satisfactorily established.

Agencies




# Shamir says ties with Bonn have improved

By James Buchan in Bonn

ISRAEL'S Foreign Minister, Mr Yitzhaq Shamir, yesterday plunged right into the West German election campaign by stating that relations between the two countries had improved since Chancellor Helmut Kohl's conservative-liberal coalition had taken power.

Mr Shamir said in Bonn yesterday that he could not comment on differences in attitude between the present government and Herr Helmut Schmidt's former administration. But "the atmosphere is now better."

Relations between West Germany and Israel, always sensitive because of the persecution of European Jews by the Nazis, reached a low point in 1981 when Mr Menahem Begin, the Israeli Prime Minister, made a strong attack on Herr Schmidt.

Mr Begin's outburst followed a visit by the then Chancellor to Saudi Arabia, during which the possible delivery of West German Leopard-2 tanks to Riyadh was discussed. The attack on Herr Schmidt caused consternation in West Germany.

Mr Shamir, who is breaking off his European tour because of the publication yesterday of the findings of the judicial commission looking into the Beirut massacres of last September, said the better atmosphere in Israeli-German relations was demonstrated by Herr Kohl's readiness to visit Israel and discuss outstanding problems.

He also said that the Israeli-German joint economic commission, which last met in 1976, would be revived this summer.

Among the problems evident during the visit are West Germany's support for Palestinian self-determination, which Mr Shamir criticised on Monday night, and German anxieties about Israeli settlement policy on the occupied West Bank of the Jordan.

Commission findings, Page 4

# Transport strike brings chaos to Lisbon

By Diana Smith in Lisbon

EMPLOYEES OF Lisbon's publicly-owned railway, bus, tram and underground companies went on strike yesterday causing chaos in the city.

The Communist - dominated transport unions have consistently refused management's wage offers that are several percentage points below the annual inflation rate.

The bus and tram company—Companhia Carris de Ferro de Lisboa—alone lost Esc 1.3bn (£8m) last year. All three transport concerns labour under energy and materials costs which are vulnerable to the decline of the escudo and to punitive surcharges and tariffs on imported equipment.

The Communists are flexing their muscles before the general election in April showing their supporters—a fairly consistent 19-20 per cent of the country's 7m voters—that however unpopular the action, they obtain results.

# East Europe sees profit in canal

BY LESLIE COLITT IN BERLIN

THE BONN Government's decision to support completion of a 62 km section of the Rhine-Main-Danube canal may be highly controversial in West Germany but is being warmly welcomed in Eastern Europe.

Hungary, Romania, Bulgaria, the Soviet Union and Yugoslavia, which are traversed or bordered by the Danube, see their barge fleets plying a continuous trans - European waterway 3,500 km long, from the Black to the North Seas.

This direct access to the industrial centres of the Ruhr and the Frankfurt region could lower the costs of transport between Western and South-Eastern Europe and relieve their own over-burdened railways and inadequate roads.

When work began on the canal in West Germany, in 1962, Western European barge operators had nightmares of East European barge fleets converging on the Rhine and by charging low rates, cornering freight traffic on the river just as they had on the Danube. In 1980, however, an international agreement on the Rhine was amended to include only the original signatories, which meant their barges alone could be based permanently on the river.

West Germany has girded itself against East European price-cutting on the canal by concluding bilateral agreements with the East Europeans on rates and cargo allocation. West German barge owners, in fact, are now looking forward to a surge in business, when the gap is finally closed in Bavaria.

Among the East European countries, Romania, where the Danube spills into the Black Sea, hopes to be the main beneficiary. It has nearly finished its own ambitious Danube-Black Sea canal, which will shorten the waterway to the coast by nearly 400 km. The largest investment project in Romanian history has cost nearly $2bn with $100m from the World Bank.

When the project is completed in May, the first 5,000 dwt vessels will be able to pass through the 64 km canal, which the Romanians believe will pay for itself within 25 years.

# Ex-minister says Danes turning from Nato

BY HILARY BARNES IN COPENHAGEN

THE POLITICAL majority behind Denmark's membership of the Nato alliance is crumbling, according to Mr K. B. Andersen, a former Social Democratic Foreign Minister and a respected "elder statesman."

The debate about Nato's missile modernisation programme and on establishing nuclear-free zones in Europe is being used, deliberately by some and unconsciously by others, to prepare the way for a change in Denmark's security policy, he says in the Copenhagen newspaper, Berlingsk Tidende.

Mr Andersen's remarks are made against the background of the Social Democratic Party's retreat from Nato's 1979 missile decision which the party, then in government, originally supported.

Last December, the Social Democrats, by then in opposition, won a majority in Parliament for a resolution suspending until further notice Danish contributions to the Nato infrastructure programme's preparations for Cruise and Pershing 2 missile sites. The resolution received the tacit support of the left-wing anti-Nato parties in Parliament.

Since then, the party has come out more overtly against the missiles' deployment by declaring that the aim of the intermediate - range nuclear force negotiations in Geneva between the U.S. and Moscow should be a reduction in Soviet SS-20 missiles. If the talks do not produce a result this year, any decision to deploy missiles by the West should be postponed for a year.

The Social Democrats also support the establishment of nuclear-free zones in the Nordic region (which is de facto nuclear-free) central Europe and the Balkans.

Mr Andersen warns his party colleagues that alliance policy cannot be maintained if they are not clear what they want from it, if they cannot agree with alliance policy and military strategy, or if, in reality, they do not trust the alliance as an instrument of security and peace.

# Recession hits Dutch railways

By Walter Ellis in Amsterdam

**NETHERLANDS RAILWAYS, which has been told to prune Fl 40m (£9.7m) from its budget this year, recorded a 12 per cent fall in freight traffic last year and carried only 2 per cent more passengers. The company fears that it may have to close some lines and union leaders are concerned about job-losses.**

Mrs Neelie Smit-Kroes, the Transport Minister, told railway chiefs last month that the government subsidy was too high and that, in addition to the Fl 40m in savings demanded this year, a Fl 75m cut in spending would have to be made in 1984.

The total state contribution to the railways last year came to just over Fl 1bn (£242m). But rail leaders say that more will be needed if the loss for 1983 is to be kept below Fl 100m. On government instructions fares are to rise by 8 per cent (two points above inflation) on April 1, but the rail management is concerned about the effect on rail-users. Further substantial fare increases are planned for succeeding years.

The drop in freight volume is particularly worrying and is a sign of how deeply the recession is biting into Dutch manufacturing industry. Only 18.4m tonnes of freight was shifted by rail last year, compared with 20.8m tonnes in 1981: revenue, at Fl 269m, was down by 11 per cent. Income from the passenger division rose by 7.3 per cent to Fl 935m.

The management claims it will be extremely difficult to achieve the level of spending cuts sought by the Government and has been asked to submit an early report on the subject to Mrs Smit-Kroes.

Dutch railways, extending over some 2,900 km, are among the finest in Europe. The system is fully electrified and both local and long-distance trains are modern and well-maintained. Since the motorway - building programme began seriously in the 1950s, the volume of rail freight has fallen, but there had been something of a revival in recent years, with 15 per cent of the traffic bound for international destinations.

Igor Andropov (left) son of the Soviet leader arrives as a delegate to the Madrid conference with chess champion Anatoly Karpov

# European security hopes dashed

BY DAVID WHITE IN MADRID

HOPES THAT the two-year-old Conference on Security and Co-operation in Europe (CSCE) might finally be in sight of a conclusion were quickly dampened at the start of a new session in Madrid yesterday.

Delegates from the U.S. and EEC countries made clear they would stick to their demands for incorporating clauses on human rights, trade union liberties and freedom of information in the concluding document.

These amendments are considered by Western participants as a prior condition for agreeing on a mandate for a conference on disarmament in Europe, which the Soviet bloc countries are seeking, and are viewed by the latter as interference in their internal affairs.

Western representatives said that no sign of change in the East bloc position emerged from statements from Czechoslovakia, Poland and Romania at yesterday's plenary session.

The conference, a follow-up to the Helsinki Final Act of August 1975, has been going on intermittently since November 1980. After being held up for most of last year in the aftermath of the Polish clamp-down, a six-week session at the end of the year failed to break the deadlock. The talks bring together 33 European countries, including neutral nations, and the U.S. and Canada.

Herr Joerg Kastl, the West German representative, speaking on behalf of the EEC, said the concluding document proposed by the neutrals still represented a "good basis for discussion." But the situation in Eastern Europe had not improved, he said, citing the expulsion of journalists from Poland and East Germany as fresh setbacks.

Mr Max Kampelman, the chief U.S. delegate, said the West might "change words here and there" in the proposed text. "But I can assure you that we see no sign of deviation from the essence of any of the amendments," he told journalists.

Sr Fernando Moran, Spain's Foreign Minister, who was making his first declaration to an international meeting of this importance, tried to inject a note of optimism.

He cited recent signs of progress on both sides, particularly in Warsaw Pact's non-aggression proposals made recently in Prague, and expressed conviction that "the political and social systems of East and West Europe can and should live together." But, he said, the Spanish Government refused to consider the defence of human rights as interference in any state's affairs.

# Bush tries hard to please French

BY DAVID HOUSEGO IN PARIS

MR GEORGE BUSH, the U.S. vice-president, went out of his way to please President Francois Mitterrand's administration yesterday by publicly linking security issues to those of world economic growth.

After a meeting with the French leader he spoke of the importance of the unified efforts of the Western allies to revitalise their economies and thus bring down inflation and unemployment. He said that Mr Martin Feldstein, chairman of the U.S. Council of Economic Advisers, who has been accompanying him, had been emphasising that the U.S. expected real economic growth this year with the "hope that it will provide a backdrop of growth in West European countries."

A continuing concern of M Mitterrand has been that U.S. economic policies have been undermining the strength of the alliance, in sharp contradiction to Washington's appeals for a tougher unified approach towards the Soviet Union on security issues.

Mr Bush's gesture towards the French point of view was accompanied by fulsome praise of President Mitterrand's support for the U.S. position over the deployment of intermediate range nuclear missiles in Europe. He called France one of the oldest and greatest allies of the U.S. on security issues.

As he has done at the other stops on his European tour, Mr Bush said that the "zero option"—the U.S. proposal to ban all intermediate range missiles—was not a "take it or leave it offer."

# Martial law 'protecting' Polish recovery

By David Buchan in Warsaw

THE POLISH Government appears to be using Poland's persistent economic problems as justification for failing to end martial law formally.

Mr Jerzy Urban told a news conference yesterday that the government economic programme "requires special legal protection," and will do so "until it can operate properly." The issue of Western trade and credit sanctions, he said, was only "indirectly" linked to abolition of martial law, to the extent that it disrupted food and raw material supplies.

A new decree this month illustrates the magnitude of the food problem. It restricts the number of Poles allowed to stand at food shops in special queues for the old, pregnant and handicapped who, theoretically at least, are exempt from queueing.

The topsy-turvy logic of this is a measure of the struggle Poles have in obtaining food and the government's inability to provide the only real solution: more supplies. Rationing already covers 70 per cent of food.

The "lightly handicapped" must now join the ordinary food queues. The severely handicapped "visibly" pregnant women or mothers with children under two, pensioners over 75, military veterans and nurses can still obtain priority—which generally takes the form of a "queue of the queue-jumpers"—but only on four days a week. Fridays and Saturdays have become a virtual free-for-all.

The change follows many complaints of abuse of "non-queueing" privileges.

● Mr Lech Walesa, leader of the outlawed Solidarity union, received a second summons yesterday calling on him to testify in the case of five dissident intellectuals charged with sedition, his spokesman told AP.

The five dissidents, including former Solidarity advisers Jacek Kuron and Adam Michnik, were arrested after the December 1981 declaration of martial law and charged with seeking to overthrow Poland's socialist system.

Mr Jerzy Urban, the government spokesman, told a news conference that the police had completed their investigation and turned the case over to the prosecutor for possible indictments. The five face a maximum death sentence if convicted of sedition.

A spokeswoman at Mr Walesa's flat in Gdansk said he would appear at the Warsaw office of the national military prosecutor on Thursday morning.

# Romania sets price for emigration

By Our Berlin Correspondent

ROMANIA HAS told its citizens who want to quit the country that they will have to reimburse the government in hard currency for the cost of their education.

Those who have completed secondary school will have to pay $3,700 (£2,418), university graduates $3,000-$4,000 (£1,960-£2,614) per academic year. As Romanians are not allowed to possess Western currency, they will have to produce a statement from friends or relatives in the West promising payment of the money.

Last November, Romania published a decree announcing hard-currency fees for emigrants. Both the U.S. and West Germany condemned it strongly. Washington warned that Congress would revoke Romania's most favoured nation trade status this year if Jews were forced to pay in order to emigrate. The Bonn Government said there would be serious repercussions if the decree applied to the 300,000 ethnic Germans in Romania many of whom want to leave.

Bonn reached an unwritten understanding with Bucharest in 1978 that at least 10,000 ethnic Germans could leave for West Germany annually. In return the government-backed Hermes export credit guarantee to Romania would be increased to an annual DM 1bn (£266m).

West German officials said yesterday that emigration of ethnic Germans from Romania has been normal since November. There were no reports of reimbursements being demanded.

# Ailing Irish economy yields to treatment

BY BRENDAN KEENAN IN DUBLIN

WHEN Mr Alan Dukes, Ireland's Finance Minister, rises to his full 6 ft 4 ins to present yet another tough Irish budget today, he can at least console himself with the thought that the economy is at last showing signs of responding to treatment.

Of course, the Government's economic medicine has, in some respect, been hard to swallow. Two years of harsh tax increases and pay settlements below the rate of inflation have choked off consumer demand and left Irish industry with profit margins averaging a mere 7 per cent. But some of the country's most intractable problems are beginning to respond positively.

The most notable improvement has been on the balance of payments deficit, which in 1981 was an unsustainable 14 per cent of gross national product (GNP). Last year, it fell sharply to 9 per cent and this year, according to independent economists, it should fall to 7 per cent. The Department of Finance is even more optimistic, hoping for a deficit of I£550m (£491m), which would be less than 5 per cent of GNP.

The inflation rate has tumbled from 20 per cent in 1981 to less than 10 per cent at present. Depending on budget policies, the fall in the sterling exchange rate could bring inflation into single figures by the end of the year.

The improvement may have come in the nick of time for Ireland's credit rating abroad. There are signs that international lenders have begun to notice Ireland's heavy borrowing of the past three years and to react accordingly.

Officials privately concede that, without signs of improvement, they might have found it difficult to continue borrowing at previously favourable rates.

Foreign borrowing should, however, fall sharply this year, thanks mainly to the improvement in the balance of payments deficit. Net foreign borrowing, which totalled I£1.3bn in 1981, should be only I£800m this year, of which I£300m has already been arranged.

These improvements have not been without cost. Unemployment has risen sharply to 187,000 or 14.5 per cent of the labour force. Many companies are under severe competitive pressure and further closures are inevitable in the coming year.

Mr Dukes's problem is how to continue the improvement without sending the economy into deep recession.

"There has been a shift of resources from the private to the public sector," says Mr Brendan Menton, an economist with Allied Irish Banks. "It is essential that the process be reversed."

His comments reflect a general agreement that the private sector has borne the brunt of the adjustment. This is associated with the Government's failure to contain total public sector borrowing, which last year reached an estimated I£2.6bn—more than 20 per cent of GNP.

It is generally assumed that exchequer borrowing will be a major target for Mr Dukes's budget. But the fear is that he may overdo the adjustment, or load it too heavily on taxation.

"Business cannot carry any further burdens," says Mr David Craughan of the Confederation of Irish Industry.

Businessmen are worried by reports that the budget will introduce an advanced corporation tax, under which companies would have to pay tax on dividends, even if they are not liable for corporation tax. Industry's tax-based borrowing facilities could also be a target for budget cuts.

Individual Irish taxpayers are already among the most heavily-burdened in the EEC. Some increases in indirect taxes seem inevitable, however, with the basic 18 per cent VAT rates likely to rise. Petrol and drink duties may be increased for the second time in two months.

If Mr Dukes is to make real progress, he will have to look at direct cuts in public spending. The cabinet has been putting in 14-hour days, trying to put flesh on the previous government's proposals for a modest 6 per cent rise in current spending and 3 per cent on capital programmes.

The cuts announced so far in education and health have provoked protests, and make life difficult for a coalition in which the junior partners, Labour, is divided on the wisdom of being in this Government at all.

The Government will also have to seek a modest pay rise in the public sector later this year—perhaps of the order of 5 per cent. The unions can be expected to resist.

In these circumstances, the Government will no doubt cast an unsympathetic eye on loss-making operations such as Irish Steel and the Irish National Petroleum Corporation. The closure of the state-owned shipping company's service from Cork to Pembroke may be a sign of things to come.

The consolation for the Government, is that if it acts now and if there is a world economic recovery, the Irish economy could respond rapidly enough to give them a fighting chance at the next elections in 1987.

# Haughey set to name front-bench team

BY BRENDAN KEENAN IN DUBLIN

**IRELAND's opposition leader, Mr Charles Haughey, is expected to announce a new front-bench team later this week, following his crushing of opposition to his leadership at a parliamentary party meeting on Monday.**

The names will be scanned eagerly for indications of Mr Haughey's attitude towards his long-standing opponents with the Fianna Fail party.

One of his key supporters, Mr Albert Reynolds, the former Industry Minister, said yesterday: "The country needs strong opposition and we must get the discipline in the party."

Mr Brian Lenihan, another former minister, said there was no question of a purge.

However, there is speculation that the future may be bleak for some of the leading dissidents who have opposed Mr Haughey since he took over the leadership in 1979.

In the immediate, bitter aftermath of defeat, some were considering quitting active politics, although talk of forming a new party is dismissed as unrealistic.

The first issue will be the proposal to remove the whips from two former ministers named during the telephone-tapping and "bugging" scandal. One—Mr Sean Doherty—is a supporter of Mr Haughey and the other—Senator Martin O'Donoghue—is an opponent.

The party's annual conference on February 25 is expected to be a triumph for Mr Haughey. The delegates may demand the expulsion of other leading dissidents such as Mr Charles McCreevy, MP for Kildare.

Mr Haughey is in a position to crack the whip but must be careful not to narrow his Fianna Fail party's traditional broad-based support. Many professional and business supporters became disillusioned by Mr Haughey's handling of the economy and industrial relations in 1980-82.

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# AMERICAN NEWS

## Chileans to discuss debt rescheduling with London bankers

BY ALAN FRIEDMAN

CHILE'S Finance Minister and central bank governor have called a meeting of the country's commercial bank creditors in London for tomorrow morning to discuss plans for the rescheduling of about $3.5bn (£2.3bn) of Chile's $17bn of foreign debt.

Sr Rolf Luders, Finance Minister, and Sr Carlos Caceres, central bank governor, will go on to Frankfurt on Friday for meetings with the Bundesbank and commercial bank creditors in West Germany. The Chilean delegation arrived in Tokyo on Sunday and left last night after meeting the Bank of Japan and commercial bak creditors.

At the London meeting, the Chilean officials are expected to unveil a debt rescheduling plan which will involve $3.5bn of debt being converted into a 1990 final maturity with a three-year grace period and interest payments at levels similar to those paid by other Latin American debtor nations. This would suggest a level of about 2¼ per cent over Eurodollar rates, or 2 per cent over the U.S. prime rate.

Chile will also be discussing its hopes of raising about $1bn of new bank credits. An IMF loan package totalling $900m has already been signed.

Chile announced last week that it would stop making principal repayments on its $17bn of foreign debt (much of it private sector) for a period of 90 days, while it works out rescheduling and loan agreements with foreign creditors.

In Tokyo, the Chileans are reported to have met Mr Satoru Sumita, deputy governor of the Bank of Japan, and Mr Hideo Tsuji, vice-director general of the Economic Planning Agency. Officials in Tokyo suggested Japan would attempt to co-operate with Chile's requests, but will consult other Western creditors before making a final decision.

## Banks asked to restore Brazil credit lines

BY PAUL TAYLOR IN NEW YORK

BRAZIL'S international bank creditors were being told yesterday by telex that they must meet their commitments to restore interbank credit lines to Brazilian financial institutions if the four-part commercial bank package is to be completed ahead of the formal application to the International Monetary Fund board for about $5bn (£3.3bn) in IMF funds.

New York bankers said yesterday the restoration of the money markets lines, which provide much of Brazil's day-to-day working capital, had turned out to be the major sticking point in the four-part proposal made to the commercial banks by Sr Carlos Langoni, president of Brazil's central bank, in December.

On Monday, Sr Langoni gave a group of about 50 of Brazil's major international commercial bank creditors in New York a progress report on the package. The telex sent to the other commercial bank creditors yesterday also contained such a "status report."

Bankers in New York said yesterday the response to Brazil's request for the refinancing of short- and medium-term loans together with $4.4bn in net new loans had proved positive.

So far about $4.32bn of the $4.4bn in new loans has been committed and bankers said they expect the target to be reached "by the end of this week."

It is also understood that Brazil's request for the refinancing of $8.8bn in short-term trade related credits has been exceeded.

However, some banks, particularly those in Europe and Japan together with some U.S. regional banks are understood to have been "holding back" from restoring the interbank lines.

Dr Langoni had asked initially that these lines, which were reduced in the second half of last year, be restored to the higher of the December 1982 or June 1982 levels.

According to New York bankers, amounts outstanding under these lines are currently running at about 55 per cent to 60 per cent of the $8.6bn level last June.

Sr Langoni has now asked the banks to restore the lines to about 80 per cent of the June level, about $6.88bn, as soon as possible.

Without such an agreement some U.S. bankers fear the whole package could be in danger. Mr Jacques de Larosiere, managing director of the IMF, is due to take the recommendation for the IMF loan to Brazil before the board for formal approval at the end of this month or early next.

Reuter adds from Brasilia: Brazil, which is counting on a 1983 trade surplus of $6bn to stay solvent, made a slow start to the year with a $155m surplus in January.

This compares with a surplus of $162m in December and one of $53m in January 1982. Brazil's visible trade surplus was $775m in 1982 and $1.2bn in 1981.

## How Shultz helped mend links with China

By Tony Walker in Peking

BEHIND THE bursts of criticism from the Chinese side and the careful diplomatic language of the Americans, it appears that the visit to Peking of Mr George Shultz, the U.S. Secretary of State, achieved at least some of its limited objectives.

Mr Shultz arrived in China saying he hoped to promote a "renewal" in Sino-U.S. relations. In his modest fashion, Mr Shultz appears to have made some progress in his efforts to repair damage done by disputes over U.S. arms sales to Taiwan, textiles and technology transfers.

He was forced during his four days in Peking to do a lot of listening to Chinese complaints about real or imagined U.S. slights. At the end of the visit, both sides indicated a degree of satisfaction with progress made, although Peking in its first official comment on the visit after Mr Shultz's departure found it necessary to reiterate all the points in dispute.

Some Western diplomats in Peking view the visit as nothing more than a "holding operation"—an attempt by Washington to stop a further deterioration in relations.

Mr Shultz may well have done a little better than that. He appears to have persuaded Zhao Ziyang, China's Premier, to visit the U.S. this year or next.

If Zhao were to go to the U.S., he could combine talks in Washington with President Ronald Reagan with a visit to the UN General Assembly.

Perhaps the most significant event during Mr Shultz's visit was his meeting with Gen Zhang Aiping, the Defence Minister. One can only guess at the substance of the discussions, but the fact that the talks were arranged in advance was apparent recognition by the two sides that they shared strategic interests.

Mr Shultz's talks with Gen Zhang may lead to a visit to Peking this year by Mr Caspar Weinberger, the U.S. Defence Secretary. At the very least, it seems the intention of the two sides to increase contacts between defence officials.

U.S. officials were, however, careful to point out that the question of weapons sales to China was not raised.

Mr Shultz's visit to Peking makes a revealing contrast to those made by Mr Harold Brown, Defence Secretary in the Carter Administration, and Mr Alexander Haig, the former Secretary of State, in 1980 and 1981 respectively.

Then, prospects of a strategic partnership were being dangled in front of the world. It was Mr Haig, of course, who announced with some fanfare that the U.S was lifting its embargo on arms sales to China.

But that was before the Taiwan dispute persuaded Peking to abandon any thoughts it may have had of a strategic partnership with the U.S.

## 'Arizona Casanova' tells court of 105 wives

BY PAUL BETTS IN NEW YORK

THE TRIAL of a modern-day Casanova has been keeping the women of Arizona in a state of titillation. For the past five weeks, they have been packing the courthouse of Phoenix for the trial of Mr Giovanni Vigliotto, who has admitted marrying 105 women since 1949, several of them twice, one of them three times and four during an ocean cruise.

Mr Vigliotto is facing charges of bigamy and fraud following his last marriage to property agent Patricia Gardiner, from Mesa, Arizona, in November 1981.

She is accusing Mr Vigliotto of taking $36,000 in cash and possessions from her when he left her barely two weeks after they married.

In a highly emotional and entertaining trial, Mr Vigliotto, who occasionally breaks into a rage of tears, has denied swindling his last wife. He has also denied similar fraud charges made by two other women who say they were married to the Arizona Cazanova and who testified for the prosecution.

Mr Vigliotto says his real name is Nikolai Peruskov. He told the court he was born in Sicily on April 3 1929, and then came to the U.S. after roaming the world in 1943. The prosecution claims his real name is Fred Jipp and that he was born on April 3 1936, in New York City.

At the beginning of the trial, Mr Vigliotto, who claims he first married in Korea in 1949, said he could not remember how many women he had married.

"I don't keep a score," he told the court. But at the request of his lawyer, he subquently wrote down a list of his wives. The total came to 105. He also told the court that marriage was "a nice step."

Mr Vigliotto, whose defending lawyer was found in contempt for abusing the prosecutor, also wrote down some 50 aliases he has used. He said there were other names.

Mr Vigliotto also claimed he worked for the Central Intelligence Agency "on a contractual basis" from 1953 to 1954. He said the CIA supplied him with three names: Frederick Jipp, John Mendoza, and John Bricclone.

Mr Vigliotto describes himself as a merchant. He told the court he made a living "by buying something, selling something." His trial is expected to end soon.

## Shell invests in oil recovery ventures

BY PAUL BETTS IN NEW YORK

QUIETLY, WHILE most other major oil companies are trimming back major multi-billion dollar capital spending projects—especially in alternative energy and complex enhanced crude oil recovery ventures—Shell Oil is going ahead with two ambitious projects.

One is the well-publicised plan to use Shell's abundant reserves of carbon dioxide ($CO_2$) in Colorado, move it by pipeline to the Wasson oil field in West Texas, and inject it into the field to recover as much as an additional 280m barrels of oil from the reservoir.

The initial capital costs of the $CO_2$ project is $1.2bn (£790m). Overall, the entire programme, whereby the gas is injected in the reservoir to mix with the crude and thus enable the recovery of oil trapped in rock pores, could cost as much as $4bn.

The other project is still at a preliminary stage and Shell Oil, one of the top 10 U.S. oil companies, 69 per cent owned by the giant Anglo-Dutch Royal Dutch/Shell group, says the company has yet to give it the formal green light.

None the less, Shell Oil has just applied for a permit from the state of California to construct an unusual power co-generation plant at its Belridge oil field in the San Joaquin valley between Los Angeles and San Francisco.

Mr Eugene Voiland, venture manager for coal generation for Shell's Californian subsidiary, said the company hopes to win approval from the authorities by the end of this year, enabling it to begin construction on the plant in the first quarter of 1984.

The project, which in its initial phase will cost about $1.5bn, has many unusual, indeed in some cases unique features. The proposed co-generation plant will simultaneously produce electricity and processed steam, which in turn can be used for some other useful energy process. In this way, it differs from a conventional utility plant, which has no other use for steam after the big electricity generating turbines have been turned.

While co-generation plants in themselves are not new, what is different in the Shell project is the decision to use coal in a state like California, where coal has so far been little used to generate electricity, let alone been simultaneously used to produce processed steam.

The steam from the co-generation plant will replace the steam produced at present by 123 generators at the Belridge oil field, where Shell has for the past three years been engaged in one of the largest enhanced oil recovery projects in the U.S.

In 1979, Shell acquired the Belridge field for $3.65bn—a record acquisition at that time. Many people in the oil industry felt Shell had paid too much for the field, which has abundant supplies of so-called heavy—and hence less valuable—crude oil.

But by using steam recovery techniques, whereby steam is injected into the field to heat the heavy oil enabling it to flow to the top, Shell has managed to increase significantly production and the recoverable reserves potential of Belridge.

Shell has increased production at Belridge from 42,000 barrels a day (b/d) before the take-over to a current average of 82,000 b/d. It is expected to reach a peak of about 100,000 b/d by the middle of the decade.

"So far, we have been using gas to generate the steam at Belridge," says Mr Voiland. Indeed, as much as 25,000 b/d of oil equivalent in gas is being used for the current Belridge steam project. "We would now like to replace the gas with cheaper coal," Mr Voiland explained.

While the Belridge Field Co-generation Project, as it is officially called inside Shell Oil, is mainly designed to supply Belridge with its steam requirements for the tertiary crude oil recovery programme, it will also generate as much as 300 MW, or enough electricity to supply the annual needs of 300,000 people.

"This makes the whole project profitable in that we can sell the electricity at the same time as supplying cheaper steam for the oil field by substituting coal for gas," Mr Voiland said.

Eventually, as the Belridge oil field becomes depleted, more steam will be used to generate electricity. Mr Voiland says the current plans envisage about 800 MW well after the year 2000.

The idea, he explained, was to maintain the new plant operating at a constant rate, with the balance gradually shifting from the thermal oil recovery process to the more traditional business of generating electricity. "If all goes as planned, the new plant could be in operation in early 1988," he added.

If this timetable sticks, the co-generation project would be coming on stream four years after the co-recovery programme was due to start.

In the meantime, Shell Oil has recently completed a $800m upgrading programme at its two big Californian refineries, which were running on an average of 161,000 b/d of oil.

Thanks to this programme, Shell will soon become self-sufficient on Californian crude production for its Californian refineries. By upgrading the two refineries, Shell can now run in its facilities California's heavier type of oil.

Indeed, a Shell official claimed that the oil company would be using only domestic U.S. oil for its entire refinery needs later this year. And this, coupled with the company's tertiary recovery successes, are making up for some of the big disappointments from Shell's earlier high exploration hopes in the Georges Bank area off the north-eastern coast of the U.S.

# Israeli leadership guilty of indirect responsibility for Beirut massacre

BY DAVID LENNON IN TEL AVIV

ISRAEL'S top political and military leadership was found guilty of indirect responsibility for the massacre of Palestinians in the refugee camps in Beirut last September by the judicial Commission of inquiry which published its findings yesterday.

The Commission recommended the resignation or dismissal of General Ariel Sharon, the Defence Minister, and would have made the same recommendation regarding General Rafael Eitan, the Chief of Staff, if he was not due to retire shortly.

Mr Menahem Begin, Prime Minister, is also held partially responsible for the events, and is sharply criticised by the Commission for his indifference to what was happening.

The Commission advocated the immediate dismissal of General Yehoshua Saguy, the Chief of Military Intelligence, and recommended that General Amos Yaron, the Commander of the Beirut area at the time of the massacre, he relieved of field command for three years.

Mr Yitzhak Shamir, the Foreign Minister, was also censured for failing to act on information he received about a massacre being carried out. But the Commission did not make any recommendations about his future.

The judicial Commission of Inquiry was set up last October to investigate Israel's role in the slaughter of hundreds of Palestinian civilians in the Sabra and Chatila camps in September, while the city was under Israeli occupation.

While the Commission concluded that direct responsibility for the massacre rests with the Lebanese Christian Phalange forces, it rejected the argument that because no Israeli soldiers did any killing in the camps Israel should escape all blame.

In support of this approach, the Commissioners referred to the attitude of Diaspora Jewish communities to anti-Semitic outrages: that not only the direct perpetrators, but also the authorities who failed to prevent the attacks, are responsible.

The Commission found that those responsible for the decision to send the Phalangists into the camps should have foreseen from the information at their disposal, and from things that were common knowledge, that there was a danger of a massacre. Because of this, they are indirectly responsible for what occurred.

"In our view, anyone who had anything to do with events in Lebanon should have felt apprehension about a massacre in the camps if armed Phalangist forces were to be moved into them without the Israeli army exercising concrete and effective supervision and scrutiny of them," the report states.

The Commission found that General Sharon and General Eitan decided to send the Phalangist forces into the Sabra and Chatila camps, without making Mr Begin privy to the decision.

Because of this, it is most critical of the Defence Minister and the Chief of Staff. In its comments on General Sharon the report states: "It is our view that responsibility is to be imputed to the Minister of Defence for having disregarded the danger of acts of vengeance and bloodshed by the Phalangists against the population of the refugee camps, and having failed to take this danger into account when he decided to have the Phalange enter the camps.

"In addition, responsibility is to be imputed to the Minister of Defence for not ordering appropriate measures for preventing, or reducing the danger of massacre, as a condition for the Phalangists entering into the camps. These blunders constitute the non-fulfilment of a duty with which the Minister of Defence was charged."

In its recommendations, the Commission said: "In our opinion it is fitting that the Minister of Defence draw the appropriate conclusions arising out of the defects revealed with regard to the manner with which he discharged the duties of his office, and if necessary, that the Prime Minister consider whether he should exercise his authority to remove the Minister from office."

The report is highly critical of Mr Begin's performance as Premier at the time of the massacre. While he did not participate in the decision to send in the Phalangists, the report points out that for two days after he heard about their entry to the camp he showed absolutely no interest in their actions.

"The Prime Minister's lack of involvement in the entire matter casts on him a certain degree of responsibility," the Commission stated. This lack of interest did not absolve him from responsibility, it noted.

The Commission also said: "We are unable to accept the position of the Prime Minister that nobody imagined that what happened was liable to happen."

Mr Begin knew of the slaughters carried out by all sides during the Lebanese civil war and of the Phalangists' hatred of the Palestinians.

The report points out that it was the Premier himself who said that Israeli troops were being sent into West Beirut after the assassination of President-elect Bashir Gemayel to protect the Moslems from the vengeance of the Christian Phalangists.

Mr Begin (top left), Maj-Gen Saguy (left) and Mr Sharon

"For two days after the Prime Minister heard about the phalangists entry, he showed absolutely no interest in their actions in the camps.

"This indifference would have been justifiable if we were to accept the Prime Minister's position that it was impossible and unnecessary to foresee the possibility that the Phalangists would commit acts of revenge: but we have already explained above that according to what he heard in the Thursday cabinet session, and according to what he said about the purpose of the move into Beirut, such a possibility was not unknown to him.

"It may be assumed that a manifestation of interest by him in this matter, after he had learned of the Phalangists' entry, would have increased the alertness of the Defence Minister and the Chief of Staff to the need to take appropriate measures to meet the expected danger. The Prime Minister's lack of involvement in the entire matter casts on him a certain degree of responsibility."

Harsh criticism is directed at General Rafael Eitan, whom the Commission says, must be seen as a partner with the Defence Minister in the decision "and as bearing responsibility for both its adoption and for its implementation."

The Commission noted: "The Chief of Staff was well aware that the Phalangists were full of feelings of hatred towards the Palestinians and their feelings had not changed

"The Chief of Staff should have known and foreseen by virtue of common knowledge, as well as special information at his disposal, that there was a possibility of harm to the population in the camps at the hands of the Phalangists . . .

"We find the Chief of Staff did not consider the danger of acts of vengeance and bloodshed being perpetrated against the population of the refugee camps in Beirut. He did not order the adoption of the appropriate steps to avoid this danger. Failure to do so is tantamount to a breach of duty that was incumbent upon the Chief of Staff . . .

"Therefore, we determine that the Chief of Staff's inaction described above and his order to provide the Phalangist forces with tractors or a tractor, constitutes a breach of duty that was incumbent upon the Chief of Staff."

In its recommendations, the Commission said: "We have arrived at grave conclusions with regard to the actions and omissions of the Chief of Staff. He is about to complete a term of service in April.

"Taking into account that an extension of service is not under consideration, there is no practical significance to a recommendation with regard to his continuing in office as Chief of Staff. Therefore, we have resolved that it is sufficient to determine responsibility without making any further recommendations."

The Commission also recommended the immediate dismissal of the Director of Military Intelligence, because: "We cannot believe that no information about the plot to send the Phalangists into the camps reached the Director of Military Intelligence until Friday morning.

"The picture received according to the testimony of Major-General Saguy himself is of indifference and a conspicuous lack of concern, a shutting of eyes and ears to a matter regarding which it was incumbent upon this Director of the Intelligence arm of the Israeli Defence Forces to open his eyes and listen well to all that was discussed and decided upon.

"Inaction constitutes a breach of duty incumbent upon the Director of Military Intelligence in this capacity."

The Foreign Minister is criticised for not making "any real attempt to check whether there is anything in what he heard from (Communications) Minister Mordechai Zippori on the Phalange operation in the camps . . . in our view, the Foreign Minister erred."

General Amos Yaron, Commander of the Beirut area at the time, is found to have failed to make it clear to his superiors that he had heard reports of wholesale killings in the camps.

His immediate superior, General Amir Drori, O/C Northern Command, is also censured. "He took certain measures for terminating the Phalangists' actions and his guilt lies in that he did not continue these steps." The Commission makes no recommendation about his future.

# Arafat makes plea for Nuremberg-style trials

BY CHARLES RICHARDS IN CAIRO

MR YASSIR ARAFAT, chairman of the Palestine Liberation Organisation (PLO) described the findings of the Commission of Inquiry as important but incomplete.

Speaking on Jordanian television, he said that the conclusion did not go far enough "because they did not include a decisive condemnation of Menahem Begin and members of his government who are involved with American support in the shameful massacre."

In an interview with U.S. television, Mr Arafat called for the setting up of an international court to try Israelis and Americans for the massacre along the lines of the Nuremberg trials.

He said: "The Americans have been involved with the dirty and shameful massacres.

Another senior PLO official, Mr Imad Shakkour, said the PLO believed Mr Sharon should be put on trial.

In Damascus, Mr Bassam Abu Shariff, a PLO spokesman added:

"The participation of this army is now a clear fact: since the second day of the massacres, the Israeli army prevented civilians who were trying to leave the camps seeking shelter in West Beirut, and forced them to return in the camps to face the Fascist killers."

He criticised the report "For not having mentioned the direct responsibility of the U.S. administration."

Officials in Egypt, the only Arab country with a peace treaty with Israel, have declined so far to comment on the results of the Commission of Inquiry. Egypt held Israel responsible for the massacre and withdrew its ambassador to Tel Aviv in immediately after the news broke in protest at Israel's actions in Lebanon.

The massacres caused widespread revulsion in Egypt, turning the popular image of the Israeli from a superman into a fanatic.

President Hosni Muharak chairs a cabinet meeting today which was billed to deal with the results of his recent tour of the U.S., Canada, the UK and France. But the implications of the inquiry on Israeli policy in the area will also, no doubt, be discussed.

# Lebanese reaction is muted

BEIRUT — Lebanese officials were reluctant to discuss yesterday's juricial inquiry report.

Mr Chafiq al-Wazzan, the Prime Minister, said: "I have no comment for the time being. I will make do with the results expressed in the Israeli report.

"The world definitely will have its own judgment, and in a way which would reflect the ugliness of those massacres," he said. said.

One government official said: "The strength of the Israeli report is that it comes from inside Israel. It is stronger than any condemnation that comes from outside."

The Lebanese authorities' reaction to the massacre and its aftermath has been muted from the start, following allegations that the right-wing Christian "Lebanese Forces," the country's most powerful armed group, carried out the killings. The "Lebanese Forces" deny the accusation.

President Amin Gemayel is a former official of the Phalangist Party, which dominates the "Lebanese Forces."

Former President Camille Chamoun, leader of the right-wing Christian alliance known as the Lebanese Front, said: "We ought to wait first for the reaction in Israel."

Lebanon has been holding its own inquiry into the massacres at the Sabra and Chatila refugee camps, but there has been little word on its progress. Reuter



## Tokyo signs Law of Sea Convention

By David Tonge

JAPAN announced yesterday that it had signed the Law of the Sea Convention on Monday. It was the 119th country to sign the treaty governing use of the world's oceans, but is only the second major Western industrial country to do so.

However, Japanese officials make clear that they are unlikely to ratify the treaty unless they can obtain improvements in the provisions governing the mining of billions of tons of manganese-rich nodules lying over three miles below the waves.

The Reagan Administration has said that it will not sign the convention because of these provisions. Belgium, Britain, Italy and West Germany, which also have companies interested in deep sea mining, have avoided signature so far.

But all are now hoping that they can persuade the Preparatory Commission, which begins work in Kingston, Jamaica, on March 15, to improve the terms for companies.

The Soviet bloc and India have followed Third World countries in signing. The treaty comes into force one year after ratification by the governments of 60 countries.

JAPANESE BRIBES SCANDAL

# Tanaka 'given $2m by Marubeni'

BY JUREK MARTIN IN TOKYO

MR KAKUEI TANAKA, the former Japanese Prime Minister, did receive Y500m (about $2m) from the Marubeni Corporation while in office 10 years ago, but not for helping to push the sales of Lockheed airliners.

This startling "confession" was divulged in magazine and television interviews here yesterday by Mr Toshio Enomoto, who was Mr Tanaka's private secretary at the time and who is himself under indictment with the former Prime Minister and two senior former Marubeni officials in the protracted Lockheed bribery trial, now reaching its climax.

Mr Enomoto is charged with receiving the Y500m from Marubeni, Lockheed's agents. He had resolutely denied throughout the trial being handed any cash for Mr Tanaka, even though the prosecution produced his then wife to testify that he had.

A cornerstone of Mr Tanaka's defence has been that he would never accept political contributions for any purpose while serving as Prime Minister. That contention now appears to have been undermined.

At the very least, Mr Enomoto's revelations add an intriguing new element to the current negotiations between the ruling Liberal Democratic Party under Prime Minister Yashuhiro Nakasone and the opposition parties over whether the Diet (parliament) should be allowed to vote on a pair of opposition motions both calling for Mr Tanaka's expulsion.

The LDP does not want a floor vote and, with its parliamentary control, should under normal circumstances be able to pigeon hole the motions. Mr Nakasone's public position, expressed earlier this week, is that it would not be right for the Diet to pass judgment on Mr Tanaka before the Lockheed judicial verdict is known.

Practically, the Prime Minister also knows that bringing the issue to a head now could cause nasty public splits inside the LDP, which is far from comfortable with Mr Tanaka's perceived influence over party politics in general and Mr Nakasone in particular.

For its part, the opposition, with only the Japan Communist Party abstaining, believes it can get a lot of mileage by raising the stakes in the Tanaka affair. It is less clear whether or not the opposition is ready to call the LDP's bluff and accept an early general election. It would happily do so if it were convinced that the Tanaka millstone was now at its heaviest around the LDP's neck, but that is a difficult judgment to make.

Such is the Japanese fascination with Mr Tanaka that countless rumours abounded here yesterday on why Mr Enomoto had suddenly changed his tune.

One version, given full airing in the columns of the Asahi Shimbun, was that Mr Tanaka had himself orchestrated the shift. This was designed, the newspaper reported, to inject doubts into the minds of the judges in the Lockheed affair who might now feel that the prosecution had confused general political contributions from Marubeni with the alleged pay-offs on Lockheed's behalf.

In his interviews, Mr Enomoto said he had gone to an apartment owned by Marubeni several times between the autumn of 1972 and 1973 and received cardboard boxes stuffed with banknotes. The prosecution case is that the transactions took place behind the British embassy and at a different time—from August 1973 to March 1974.

Another version is that Mr Enomoto, who has shown understandable signs of strain during the six year trial, simply broke down and decided to ease his own conscience.

# Assam refineries close in bid to stall polls

BY K K SHARMA IN GAUHATI, ASSAM

THE ASSAM economy was dealt a crippling blow yesterday when two of the state's three oil refineries closed as workers stayed away in an attempt to stall the elections to be held from February 14 to 21.

First to close was the 3m-tonne refinery at Bongaigon and this was followed by the 500,000 tonne unit at Digbol, leaving just the refinery at Gauhati, the state capital, functioning at a greatly reduced capacity.

Officials in Gauhati, where markets, educational institutions and offices are closed, say that Assam's oilfields are not affected yet. But sections of workers at Oil India's headquarters at Duliajan are on strike, and it is just a matter of time before crude production is halted.

If this happens, both the state and the country will be seriously affected because Assam produces more than 3m tonnes of crude a year. The closure of the oilfields in 1979 and 1980 led to a loss of more than $1bn a year.

The atmosphere in Gauhati is highly charged. Para-military forces guard the airport, Government offices and other key points and there is patrolling in the deserted streets, where shutters are up on shops, banks and offices.

Student agitators have begun a non-co-operation movement to try to force the government to call off the election. This is to press their demand for the expulsion of Bengali-speaking settlers from Assam, prolonged talks on which broke up just before the elections were announced a few weeks ago.

Reports of violence come into Gauhati from all districts. The latest is that a mob attacked a police station at Belsor town, about 80 kms from Gauhati. The police opened fire and killed at least three people. A round-the-clock curfew has been imposed at Belsor.

# Hawke sets fast pace in Australian campaign

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR BOB HAWKE was formally elected leader of the Australian Labor Party (ALP) yesterday and is setting a fast pace in the early campaigning for the country's March 5 general election.

The first of the ALP's election commercials was screened last night, and ended with a direct challenge to Mr Malcolm Fraser, the Prime Minister, to meet Mr Hawke in open debate.

Yesterday, Mr Hawke spoke constantly of "my Government," as though it had already won power, and said he would sack or transfer senior public servants who failed to carry out ALP policies.

He also reaffirmed the ALP's commitment to introduce a "resource rent tax" on mining companies, said Labor would legislate for fixed, four-year terms for the House of Representatives, and would immediately withdraw Australian troops from the joint peace-keeping force in the Middle East.

On the proposed resource rent tax, Mr Hawke said no tax would be levied on mining projects until all capital outlays had been recouped, and a minimum—though unspecified—rate of return achieved. "Normal" profits would be determined by reference to historical returns, he said.

Mr Doug Anthony, leader of the National Party and Mr Fraser's deputy Prime Minister, yesterday demanded that Mr Hawke "come clean" on whether he would toe the ALP line on the mining and export of uranium.

# WORLD TRADE NEWS

## Israel achieves £52m surplus in trade with UK

BY MAURICE SAMUELSON

ISRAEL achieved a £52m surplus in its trade with Britain in 1982, far more than its adverse balance only three years earlier.

Of the £498m in trade between the two countries, British exports were worth £223m while imports reached £275m.

In 1979, when trade was valued at £499m, the balance was £43m in Britain's favour.

The about-turn largely reflects the steep fall in the movement of diamonds from Britain to Israel caused by changes in the pattern of international diamond trading and the recession in Israel's diamond processing industry. Without diamonds, Israel's surplus with Britain dates from 1977.

In 1980, for example, diamonds accounted for 43 per cent of British sales to Israel—£99.1m out of £231.7m.

In the first 11 months of last year, however, the breakdown for the full year is not yet available — diamonds formed only about 8 per cent of the British exports to Israel and 6 per cent of her imports.

Despite the latest balance in Israel's favour, the British Israel Chamber of Commerce says it is flourishing in both directions—Britain's sales last year rose about 4 per cent and those of Israel 8 per cent. The total was £30m more than in 1981.

Although the Arab boycott is sometimes blamed for inhibiting British sales to Israel, the main factor holding them back appears to be that the Israeli market is becoming harder to penetrate because of the state of Israel's economy.

The best openings are for raw materials; components for Israel's own export-oriented industries which are not affected by credit restrictions; for energy-related equipment, and for coal.

The National Coal Board has a four year contract to supply 750,000 tonnes to the Israeli electricity industry, which is switching over from oil.

Although fresh and processed food and textiles still lead British purchases in Israel, a growing proportion consists of high technology goods.

## Russia to boost rail freight capacity

By Anthony Robinson in Moscow

THE SOVIET Union is planning to expand its direct rail freight service from Western Europe to Japan via Siberia. It hopes to triple the handling capacity of Vostochni port, its Far Eastern container port on the Pacific, in time for the opening of the new Baikal - Amur trans-Siberian railway, Pravda announced.

At present, the Trans-Siberian Railway is heavily overloaded. This has contributed to below-capacity utilisation of the facilities at Vostochni port which can handle up to 150,000 containers annually.

The last 500 miles of the 3,000-mile rail line is currently being completed and should more than double capacity on the Far Eastern stretch of the Soviet railways.

At the same time, container storage and handling space is being tripled at Vostochni port, and new container handling facilities are also being built at the Baltic port of Tallin to handle shipments from the European end.

## EEC inquiry into Soviet nickel 'dumping'

By Giles Merritt in Brussels

AN EEC anti-dumping investigation into the Soviet Union's exports of unwrought nickel products has been opened by the European Commission following complaints by Community producers of "significant" dumping margins that have helped the USSR to more than double its EEC market share since 1981.

The unwrought nickel is unalloyed and in the form of cathodes produced by electrolysis, either uncut or cut into squares. The dumping complaints have been lodged with the Brussels Commission by Le Nickel of France, Inco Europe of the UK and Larco of Greece.

The boost to Soviet sales in Europe of the nickel products has resulted in the USSR's market share going from 9 per cent in 1981 to 18.5 per cent in the first nine months of last year.

The impact on the EEC industry is alleged to be a 34 per cent cut in production, a 16 per cent drop in the industry's capacity utilisation and the loss of 1,440 jobs.

Measures to cut backlog ready soon, says central bank chief

## Nigeria acts on trade payments

BY QUENTIN PEEL, RECENTLY IN LAGOS

THE NIGERIAN Government is drawing up measures to reduce its trade payment backlog, according to Alhaji Abdulkadir Ahmed, governor of the country's Central Bank.

The governor, who puts the backlog of payments which have been approved by the Bank but have yet to be settled/disbursed at N2bn (£2m), said that the measures should be ready by March.

They will rely on substantial balance of payments borrowing, as well as the drastic import restrictions already introduced by the government, say senior officials in Lagos.

A team of bankers from Warburgs, Lazard Frères and Lehman Brothers was in the Nigerian capital last week to advise the Government on how best to approach the international capital markets.

Nigeria also hopes to finalise a loan with Saudi Arabia to help tide it over its current payments problems, but it has no plans to seek support from the International Monetary Fund, the officials say.

The official estimate of Nigeria's trade arrears still falls short of the figure of $5bn (£3.3bn) estimated by most bankers.

However, the estimate includes those payments which have been fully checked and approved, Alhaji Ahmed said in an interview. Commercial bankers believe there is also a large pipeline of payments still being checked.

The governor said that although the country's foreign reserves stood last week at N 1.24bn that figure was likely to be depleted by the latest programme of foreign exchange releases he had approved.

He said that since last May, after President Shehu Shagari introduced a programme of austerity measures to counter the growing balance of payments deficit—itself a result of falling oil sales and heavy imports — the Central Bank had only been paying out the amount of foreign exchange it received.

"When I feel I have accumulated a reasonable level of reserves I can step up payments," he added.

He repeated the assurance given by the Central Bank last September that interest would be paid on trade debts, which had been approved but for which foreign exchange was not available.

Officials have outlined several courses of action open to the Nigerian Government.

They confirmed that Alhaji Ahmed and Alhaji Abubakar

President Shehu Shagari

Alhaji, the permanent secretary at the Ministry of Finance, had recently been to Saudi Arabia, and are expected to return there shortly, raising renewed hopes of a Saudi loan.

However, bankers do not expect the loan to top $1bn.

The triad of banks have been retained by the Finance Ministry to advise it on its planned programme of foreign borrowing for 1983, which includes N1.73bn to project-related finance, and N1.37bn in balance of payments support, according to the 1983 budget.

"We do not want to enter the market in a haphazard fashion. This is to devise an optimal strategy" according to one senior adviser.

Another alternative for the Nigerian Government would be to negotiate individual loans with those banks which have most trade payments outstanding, to convert the backlog into straightforward borrowing.

"Some have shown a willingness, even a desire to do so," according to an official. They would probably include Standard Chartered, Banque Nationale de Paris and Barclays, who have the principal shareholding in Nigeria's three largest commercial banks.

Alhaji Ahmed confirmed that Nigeria had held discussions with the IMF about its current problems, but that no decision had been made to ask for a loan.

Indeed, other top officials reiterated the government's objection to any deals which would demand devaluation of the Naira which the IMF is expected to insist on.

## Fiat set for name change in U.S.

By Kenneth Gooding, Motor Industry Correspondent

THE FIAT name will disappear from the U.S. new car market to be replaced by the badges of two well-known Italian design houses, Pininfarina and Bertoni.

Fiat, which at the 1975 peak sold 100,500 cars in the U.S., believes it cannot match the prices charged by the Japanese in the U.S. with products shipped from Europe. However, it is sure it can sell profitably in certain market niches.

Fiat Motors of North America announced last month it would cease to import Fiat cars but would maintain a presence to support those cars already on the road.

The company will also continue to import expensive sports cars from Fiat's wholly-owned subsidiary, Ferrari. Sales of Ferraris in the U.S. have been about 1,000 a year.

A new import company, IAI (International Automobile Importers) has been set up and both Pininfarina and Bertoni have signed contracts with it.

Pininfarina will ship the Spider 2000 to the U.S. and Bertoni the X19. Both these sports cars will continue to use Fiat mechanical parts.

Pininfarina now says it hopes to sell about 5,000 Spiders this year in the U.S., compared with 11,500 in 1980 and 9,700 in 1981 when the cars bore Fiat badges although built by Pininfarina.

The Fiat X19 has sold at the rate of 6,000-7,000 a year in the U.S. in the past.

IAI, which is headed by Mr Malcolm Bricklin who once unsuccessfully attempted to establish his own Bricklin SV-1 sports car in the U.S., will set up its own dealer network but will use some of the 400 former Fiat dealers.

Fiat is understood to have about 5,000 of its own-badged cars left in the U.S. which it is selling off with the help of large discounts.

### Air France to resume Argentina flights

AIR FRANCE flights to Argentina, suspended since June 30 1982 will resume on February 17 under a new air travel agreement, the company announced in Paris, AP reports.

The new agreement, replacing a 1948 accord, gives Air France permission to service Buenos Aires twice a week from February 17, and three times a week starting July 1.

## Japanese share in £136m Malaysian pipeline order

BY WONG SULONG IN KUALA LUMPUR

A GROUP of Japanese, American and Malaysian-Singaporean concerns has won a 476m ringgit (£136m) contract for the construction of a submarine pipeline to collect gas in the East Malaysian state of Sabah.

The contract was awarded by the Sabah Energy Corporation to the Marubeni Corporation, Nippon Kokan, Brown and Root and Promet Berhad.

The four companies, in their respective ways, will design, build, install and manage the laying of a grid network to gather associated gas from the Erb West and Semarang oil fields in the Shell contract area, 120 miles off the Sabah coast, to Labuan Island.

The gas will be used to feed a 600,000-tonne sponge-iron plant, a 700,000-tonne methanol plant and a 70 MW power station, which are expected to be completed in late 1984.

Tan Sri Thong Yaw Hong, chairman of Sabah Energy and civilian head of the Malaysian federal treasury, said the gas network and the three projects on Labuan Island were expected to cost over $1bn (£666m).

Between 20 and 30 per cent of the funds required would be obtained through soft loans from Japanese financial agencies, while the rest would come from syndicated bank loans.

Reuter reports from Rotterdam: Paktank Europa BV is setting up a joint venture company to be known as Paktank Singapore Tankstorage, to operate an independent oil terminal, it said yesterday. Total investment in the terminal at Pulau Busing could reach S$200m (£62.5m).

## McDonnell Douglas set to offer another DC-9 jet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

McDONNELL DOUGLAS of the U.S., which has been highly successful in selling its new DC-9 Super 80 twin-engined jet airliner, is now about to offer a new version of that aircraft, the smaller Super 90.

The Super 80, and its longer-range partner, the Super 83, each seat around 150 passengers. The Super 90 will seat up to 118 passengers.

It is designed to meet the needs of airlines for a smaller, new twin-engined jet that can replace existing ageing One-Eleven jets, early-vintage Boeing 737s and other aircraft.

With two new Pratt and Witney JT8D-218 engines, and with a range of 1,500 nautical miles, the new model will be available by the spring of 1986. This compares with the Super 83, which will be available by 1985, and the current Super 80, available now.

McDonnell Douglas foresees a market of up to 450 aircraft in this category over the next few years, of which it hopes it can pick up about 200. Its most direct competitor will be Boeing, with the existing model of the Boeing 737 twin-jet.

Airlines showing interest in the Super 90 include Scandinavian Airlines System, British Caledonian, Iberia of Spain, Aviaco, Swissair Austrian Airlines and Trans Australian Airlines.

The Super 90 represents another move in McDonnell Douglas's plans to develop a complete "family" of short-to-medium range twin-engined jet airliners to cover the requirements of airlines from about 100-plus seats up to about 180 seats.

## Sperry Univac wins £317m U.S. Air Force contract

BY OUR WORLD TRADE STAFF

SPERRY UNIVAC, the U.S. computer manufacturer, has won a $476m (£317m) contract to supply communications systems and terminals to the U.S. Air Force.

The Sperry equipment in the deal is the company's 1100/60 system, replacing older 1050 systems and Burroughs B3500, 3700 and 4700 systems.

The systems will be installed at U.S. Air Force bases in the U.S., Europe and at U.S. bases in the Pacific. In the UK, the systems will be located at five stations—in Alconbury, Bedfordshire; Bentwaters, Lakenheath and Mildenhall in Suffolk, and Upper Heyford in Oxfordshire.

The contract calls for replacement of 287 older computers with 153 newer systems with more than 20,000 communications terminals, the company said. The equipment will be installed in an eight-year implementation programme. There are two six-year contract options extending the programme to the year 2002.

### Houston metro deal won by Tokyo groups

The Metropolitan Transit Authority of Houston has awarded a $139m contract for 130 rail cars to a joint venture of two Japanese companies, Hitachi America and C. Itoh, Reuter reports from Houston.

The authority said their bid was about $16m under its engineers' estimate. The nine other bids ranged from $111m to $256m. The cars are to be delivered beginning in 1986 for use on a $2.1bn, 18.2-mile transit system to be built in Houston.

# Personal lending rises sharply, but industry demand stays flat

BY ROBIN PAULEY

BANK LENDING to the personal sector again rose sharply in January, with loans totalling £367m for hnuse purchases, while manufacturing industry continued to make very little demand for funds.

The banks published details of their housing finance business for the first time yesterday. These show that January's higb level is consistent with the £1bn disbursed by them in the last quarter of 1982 in respect nf new loans, including topping-up and improvement loans, tut excluding tridging finance.

In the same three-month period, 36,950 new mortgages were approved for a total £800m, of which just under a third went to first-time borrowers.

The average size of loans approved was £21,500, and nnly 3 per cent were loans of £50,000 and over. Some 15 per cent of the properties purchased, however, cost more than £50,000.

Building societies advanced £4.8bn in the same quarter, compared with only £2.8bn in the last quarter of 1981.

The Bank of England quietly indicated to the banks several times last year that some restraint on house advances, some nf which was suspected of going on yachts and luxury items, was needed. The banks also indicated in the autumn that they would cut back althougb they said yesterday it remained a growth area.

Total bank lending in the six weeks to January 19 was £1.15bn indicating, after seasonal adjustment, an underlying rise of £350m - well down nn the previous monthly averages of around £1bn and the very bigh levels of around £2bn last spring. Continued lack of industrial demand for loans suggests manufacturers are still not confident enough of a recovery to begin new investment.

MONEY SUPPLY GROWTH (percentage rise)

| | Dec–Jan | Feb–Jan annualised rate |
|---|---|---|
| Sterling M3 | ½ | 10½ |
| M1 | 1 | 11½ |
| PSL2 | ½ | 8½ |

*M1 – notes and coins plus bank deposits which can be withdrawn without notice*
*M3 – includes in addition bank deposits which require notice of withdrawal.*
*PSL2 – M1 plus private sector deposits with original maturity of less than two years plus money market instruments such aus Treasury bills and building society shares and deposits*
*Source: Treasury*

*Growth of the money supply* slowed down in January according to the Bank of England's provisional estimates, also published yesterday. Sterling M3, the broad measure of money, grew by ½ per cent, moving the annualised rate of increase down to 10½ per cent from 11 per cent in December.

All the monetary aggregates have a target range of 8 to 12 per cent and there were fears in December that sterling M3 was in danger nf breaching the upper limit.

*This danger has now passed to* the narrow measure of money, M1, which includes notes and coins. This rose 1 per cent in January taking the annualised rate up to 11½ per cent. M1 rose at an *exceptionally* slow rate in the early part of last year, and has accelerated very fast since the summer, reflecting the increased attractiveness of cash and cheque accounts as interest rates fall.

The broad measure nf private sector liquidity, PSL2, which covers sterling M3, building society deposits, natinnal savings and money instruments rose by only ½ per cent in January and remains firmly towards the lower end of the target range.

# Government pledges £46m in support for overseas students

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

NEW PUBLIC spending of £25m over the next three years to attract more overseas students to Britain was announced by Mr Francis Pym, Foreign Secretary, in the House of Commnns yesterday.

In addition to the new money, about £21m scheduled fnr spending over the same period nn nther aspects nf overseas aid will be re-allocated to provide scholarships and nther kinds nf belp fnr students from outside the European Econnmic Community.

The toal of £46m is expected to hring into UK universities, polytechnics and colleges an extra 5,000 to 8,000 non-EEC students whn since 1980 have been ctarged the full notinnal cost of their courses in UK higher and further education.

Mr Pym's announcement reverses the Government's policy nf cutting subsidies to students from ahroad, which before the decision to charge full-cost fees were estimated to cost British taxpayers £100m a year.

It is believed that the decisive influence in the change was pressure by overseas leaders on Mrs Margaret Thatcher, the Prime Minister, during her visits abroad, especially the recent one to Hnng Kong. But there bas been persistent campaigning on foreign students' behalf by British groups, including the industry-based Overseas Students Trust.

The £25m new mnney also gives the Fnreign Office an unprecented stake in the making of educational policy, since it will evidently decide how mucti nf the £25m will be allocated to each nf the different types nf scholarship and nther aid, and in some cases to which countries they are available.

The money going to students from Hong Kong, and perhaps some nther countries, will be boosted by contributions from their own Governments in a shared funding arrangement.

Since the sharp increase in the foreign students' fees, the numbers of them enrolled in UK State higher and further education has fallen from about 80,000 to 55,000. But applications so far received for courses starting this year indicate that the decline bas been balted.

# Water employers admit pay mistake

By Philip Bassett

*BRITAIN'S national water strike,* now in its third week, took an extraordinary turn last night when the water employers admitted that they bad miscalculated their latest pay offer.

The Natinnal Water Council, representing the employers, said that the industry's 28,500 manual workers would receive 8.5 per cent pay increases over 18 months, and not 7.3 per cent as previously stated. It would yield an average increase of £10 a week.

However, the General, Municipal and Boilermakers Union said: "The latest 'clarification' would be comical if it was not so serious. The original offer was 7.3 per cent. It is still 7.3 per cent. To suggest anything different is fiddling the figures."

In a number of areas yesterday, striking workers moved into plants which were being run by management staff, evicted them and occupied the premises. A union official said: "There is a feeling that we have been too kind in the strike so far and the time has come to step up the action."

# Funds ruling spells end of NEB equity investment role

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

*THE BRITISH Technology Group* is to be told soon by the Government that its operations must become self – financing within a year. It will receive not more than £10m from the Treasury in the coming financial year, instead of n £100m to £200m "dowry" which it originally asked for.

This will spell the end of the wide-ranging equity investment role pursued in the past by the National Enterprise Board (NEB), which is part of the group.

Instead, the group *will* be *told* to spend most of its time and money concentrating on the type of activities traditionally carried out by its other offshoot, the National Research Development Corporation.

An announcement that ministers bave reached these decisions on the group's future after eight months' *discussion will be made soon by* Mr Patrick Jenkin, Industry Secretary. It will please Conservative MPs who have wanted the NEB closed since the last general election.

Later in the year, Mr Brian Willott, the group's chief executive who is on secondment from the Industry Department, is likely to return to *Whitehall to continue his Civil Ser*vice career as an under secretary.

Sir Freddie Wood, the part-time chariman, may also decide to retire when his current three-year con*tract expires next January. He ap*pears, however, to be willing to accept the new approacb for the group.

The precise impact of the Government's decisions about the group will not be clear until negotiations between Sir Freddie, the Industry Department and tbe Treasury are completed later this month.

Sir Freddie said in September 1981 that he would like the Government to give him a "dowry" of perhaps £100m to £200m as a basis for running the group on a self-financing basis. This has been rejected by ministers who have imposed the £10m limit.

Now the group wants to be able to keep all the proceeds from sales of its *investments. The Industry De*partment is thought to be backing this line, although it wants to share in any profits from the £115m Inmos micro-chip venture.

But the Treasury wants to be given perhaps, two-thirds of the proceeds of all sales of investments such as United Medical Enterprises and British Underwater Engineering as well os Inmos.

Sir Freddie *is* thought to be arguing that this would make it almost impossible for the group to invest in *new ventures and* be *self-financing.*

At present the group is investing at a rate of about £20m to £30m a year. In 1981 the figure was as bigh as £64m of which £12m was inler*nally generated.*

# Rail chairman warns on electrification delay

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

SIR PETER PARKER, chairman of British Rail (BR), warned yesterday that delay in the electrification of the East Coast main line was costing BR about £6m a year and could put back its whole electrification programme by 20 years.

Sir Peter said that electric trains saved £1 *or more* per mile when they replaced diesel engines hauling passenger and freight trains.

BR runs 400 trains a week on the East Coast main line between London and Newcastle. It is the priority line for which it is seeking government approval for electrification.

Sir Peter warned that if the £150m scheme did not begin soon, "BR stands in grave danger of having to replace the ageing diesel fleet with further diesels. If we are forced to replace costly to operate diesels with more diesels, we shall effectivel close the door to further main line electrification – and to the chances of significantly improved railway and export orders – for another 20 years."

The Government is awaiting revised proposals from BR on the future of its Inter-City business. These will be critical in the Government's assessment of the return that can be expected from investment in electrification of the East Coast main line.

The Government's decision Is also expected to be determined by the outcome over the extended negotiations with the trade unions on the manning of the trains on the electrified line from Bedford to St. Pancras, London. A tribunal hearing on the dispute will resume on Monday.

# Dispute over coal chief

DESPITE Labour protests, Mrs Margaret Thatcher, the Prime Minister, did not rule out in the House of Commons yesterday the possibility that Mr Ian MacGregor, chairman of British Steel Corporation (BSC), might become the next chairman of the National Coal Board (NCB).

Reports at the weekend suggested that Mr MacGregor was being considered as a replacement for the present NCB chairman, Mr Norman Siddall, when his term of office ends in July. Miners' leaders and Labour politicians have reacted angrily to the suggestion.

*Mrs Thatcher said yesterday she* was not yet in a position to make an announcement about who would succeed Mr Siddall. But she pointed out that Mr MacGregor's term of office at the state-owned BSC was due to end in June. She praised the "superlative job" he had done in streamlining BSC's operations.

The *Prime Minister repudiated* Labour charges that Mr MacGregor was responsible for hutchering the steel industry.

## Aerospace stoppage

WORKERS at British Aerospace missile plant at Stevenage, Hertfordshire, voted to continue a pay strike by a majority of three to one at a mass meeting yesterday. The management said it could not raise its offer of 5¼% to 3,000 manual and white collar workers.

## New ferry service

A NEW ferry service between South Wales and Ireland is to open at the end of the month.

The roll-on roll-off service, run by Welsh-Irish Ferries, will carry up to 40 trailers on each sailing, but not passengers nor cars.

The service, between Barry and Cork, will run three times a week.

## More oil rejected

GULF OIL has refused a second cargo of North Sea oil as part of its continued campaign to push down the price of North Sea crude. Industry sources confirmed yesterday that Gulf had turned away a 850,000 barrel cargo of North Sea crude this week. Last week, the company refused to lift a 750,000 barrel cargo.

British National Oil Corporation (BNOC), the principal trader of North Sea crude, denied yesterday that these cargoes had been sold on the spot market at prices about $4.50 less than the official price of $33.50 per barrel. It said there was enough flexibility in the market to absorb the rejected cargoes.

## Restrictions lifted

RESTRICTIONS imposed by the Government on the release of official documents to the press are to be lifted.

The Government had imposed the restrictions after sections of the press broke an embargo on details of the Falklands honours list. But it has now agreed to return to its former practice of allowing the press to have documents in advance of publication.

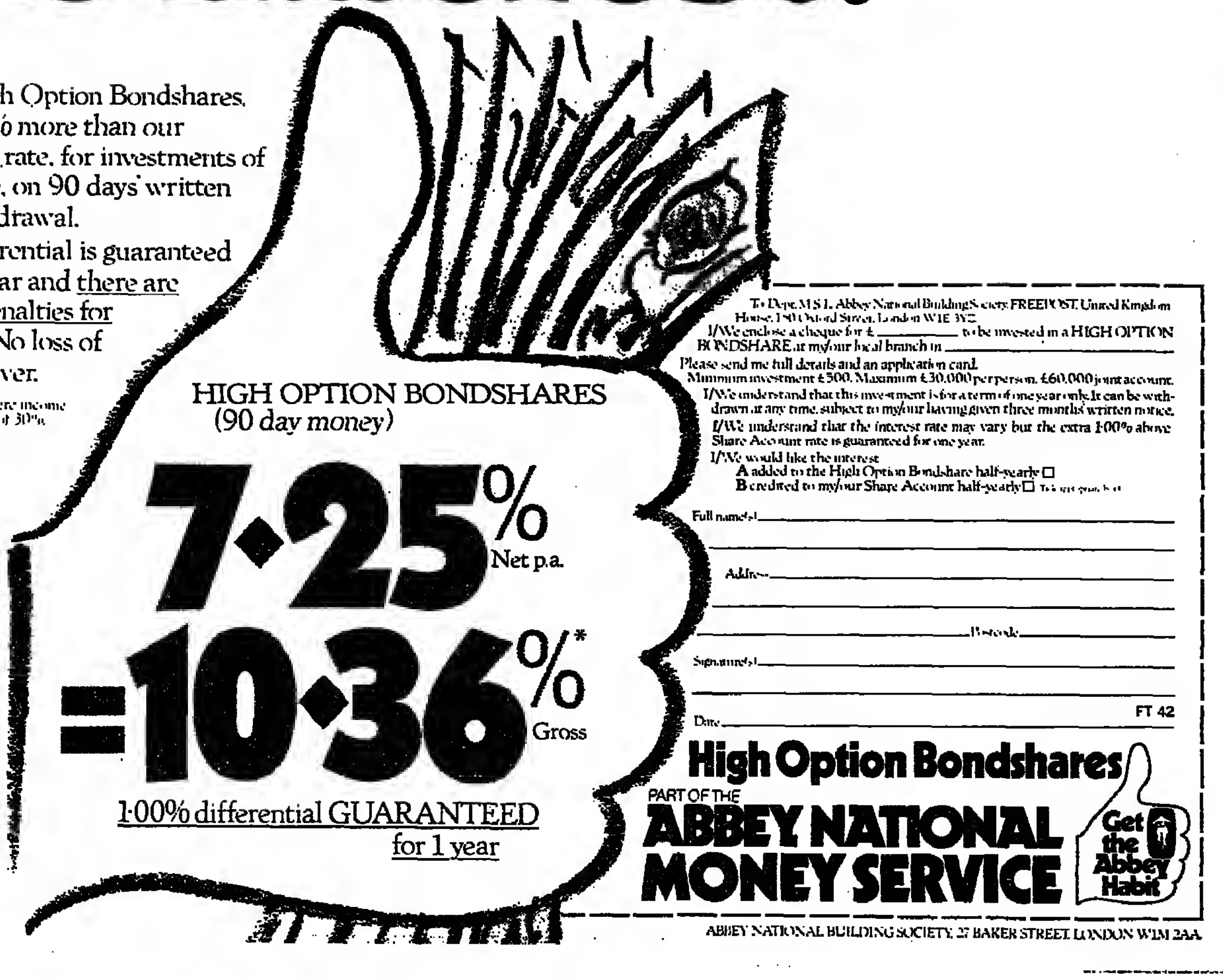
## Nato warning

NATO was failing to acknowledge the importance of the Mediterranean in the overall defence of western interests, Admiral William Crowe, commander of Nato's southern flank, said in London yesterday.

He said Nato had not come to terms with the changing strategic situation in southern Europe. It had concentrated too much on the central European front and tended to neglect the threat to western oil and other supplies which had grown substantially over the last 10 years.







# UK NEWS

## British Shipbuilders calls for inquiry into Korean order

BY ANDREW FISHER SHIPPING CORRESPONDENT

BRITISH Shipbuilders yesterday called for an inquiry ioto how a South Korean yard was able to wio an order for a cable-laying ship to work under contract for the Central Electricity Geoerating Board (CEGB).

The company which ordered the vessel to carry out the CEGB contract said that the yard involved, Hyundai, was oot only far cheaper but also promised delivery several months earlier.

Mr Kenneth Griffin, deputy chairman of state-owned British shipbuilders said on BBC Radio be was angry about the order *going* outside Britain – "competition from Korea is unfair and no country in the world can compete with that."

International Transport Managemeot (ITM) is carrying out the cross-Channel *cable-laying contract* at a price of £10m. The CEGB has already said this would cost up to 50 per cent more if the ship had beeo ordered elsewhere.

No firm value has beeo put on the new ship, but it is believed that ITM is paying around £10m for the vessel against prices of several *millioo* pounds more from yards in Europe.

ITM sought tenders from Harland and Wolff in Belfast, as well as Dutch and West German yards before deciding on Hyundai. If the price had been right, said Mr John Wilson, technical director of the privately-owned *ITM*, *it would have* liked to order with the Belfast yard.

He said the Dutch and German quotations for the ship were higher than that from Belfast. ITM, which operates offshore barges and has a large trailer fleet, is also *to* carry out transport work for Hyundai oo interoational constructioo projects as part of the deal.

The CEGB asked for second tenders to see if the order could be kept in Britain. British Shipbuilders argues that with 60 per cent of a ship consisting of bought-in materials, it is surprising that Korea can quote such *low* prices. "In other areas it is called dumping," Mr Griffin said. "I don't know what you'd call it io this area."



JAPANESE TAKE 25% OF MARKET

## UK robot-makers lose ground

BY PETER BRUCE

A SURVEY of the world's industrial robot population shows that, of worldwide robot sales last year worth just under £300m, the UK market was worth less than £15m.

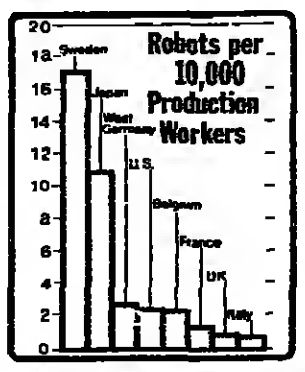
Of the 430 robots installed in Britain last year, one in four was Japanese and only 23 per cent were British-built. This compared with the previous year wheo one in eight robots was Japanese and 29 per cent were British built.

*By the eod of last year, there* were 1,152 robots io use in Britaio. The Japanese share of this total was 14 per ceot, the U.S. 24 per cent. European manufacturers 37 per ceot and UK manufacturers 25 per cent.

The survey, published by the British *Robot Association yesterday*, showed that the UK retained its fifth place in the world populatioo league, but the associatioo warned British industry that it must do better. The Japanese last year installed about 3,000 robots, the U.S. about 1,500 and West Germany 1,200.

Dr Rolf Schraft, deputy director of the Institute for Production Automatioo in Stuttgart, said yesterday that of 3,500 robots in use io West Germany, only 5 per cent were Japanese.

Mr Christopher Jackson, from the UK Departmeot of Industry, explained Britain's vulnerability to Japanese penetration by pointing out that robot manufacturing capacity in the UK was modest compared to West Germany.




The Government, however, welcomed *manufacturing* collaboration with Japanese producers and a number of agreements bad been made, he said. The 600 Group would build Fanuc machines, GEC had linked up with Hitachi and the Sykes Group had begun selling Dainichi Kiko robots with its *automated systems*.

In many cases, these robots would become British, Mr Tom Brock executive secretary of the association, said. Robots made in Telferd by Unimation of the U.S., which claims to have sold more machines worldwide than anyone else, were *already* included in the *population* survey as British.

Uoimation, which is to expand its Telford operation with government help, builds roughly 10 robots to every one built by each of Britain's other five indigenous manufacturers. One of these, Remek, went into receivership last month.

Mr Jackson said that the Government hat paid out more than £8m to fund the development and installation of robots in British industry since 1981.

There had been £2.38m for the developmeot of new robots, of *which £1.5m had gone to* Unimation's expansion, and £5.5m towards the installatioo of robots. Just over £100,000 had been spent financing consultancy services.

Mr Jackson admitted that it was unlikely that the UK would ever challenge the dominance of the U.S. and Japan. But *he* said the Government was determined to be one of the major suppliers of industrial robots io the world. "We are prepared to do that in any way which we thinks a viable way," he said.

Mr Brock said it was unlikely that the rate of growth of Britain's robot populatioo would be maintained this year. The motor industry, by far the most important consumer of robots, had announced no major new automation plans

Most of the world's robots are used in welding and coating in the motor industry. The largest manufacturer in West Germany is Volkswagen, which has installed 940 of its robots in its own plants.

## Training dispute halts Ford plant

By Brian Groom, Labour Staff

OUTPUT at Ford's body and assembly plant at Halewood, Merseyside, was halted yesterday when 270 day-shift foremen went on strike in a dispute over on-the-job training of employees.

Production of about 400 Escort cars worth £1.8m at showroom prices had been lost by late last night. Ford management was waiting to see if the night-shift foremen joined the strike.

The dispute is over who should fit stereo speakers inside cars. In its productivity drive, Ford decided the work should no longer be done by relief workers, but by the regular trim assembly employees.

This was accepted by the hourly-paid workers involved but the foremen, members *of the Association* of Scientific, Technical and Managerial Staffs, objected that this imposed an extra training burden on them.

Meanwhile, a meeting between Ford mangement and manual unions will be held at Halewood on February 16 to discuss the company's proposals for 1,300 voluntary redundancies.

THE MANAGEMENT PAGE EDITED BY CHRISTOPHER LORENZ

# Japan's shipbuilding 'doctor'

## Charles Smith reports on an industrialist with a talent for reviving loss-makers

HISAO TSUBOUCHI is steadily gaining a reputation in Japan as a man who can make a profit out of doing things that almost everyone else in the country now finds hopelessly loss-making.

Tsubouchi's biggest success to date is in shipbuilding where, while the industry as a whole has cut production by more than two-thirds in seven years, his Kurushima Dock group has in fact grown.

But Tsubouchi's interests are by no means confined to shipbuilding. His 150 or so companies now embrace hotels, trading companies, ferry services, an engineering research laboratory and even a bank and local newspaper.

Kurushima, based on a small town on the north coast of Japan's fourth largest island of Shikoku, now uses more steel per month than any other Japanese shipbuilder, including the household names of the industry such as Mitsubishi Heavy Industry or Ishikawajima Harima. Yet Kurushima itself is very definitely not a household name — exrept along the fringes of the Inland Sea where its constellation of small and medium-sized yards is mainly located.

Tsubouchi's success has been achieved by a blend of opportunism, flexibility and the application of a rigorous regime — not only for his employees but himself also.

Although obviously proud of his newly acquired prominence as a shipbuilder Tsubouchi started life in a very different kind of business. His father and mother ran a chain of cinemas in Matsuyama (the biggest city in Shokoku) which their son inherited after returning from a spell of forced labour in Siberia at the end of the Second World War.

Tsubouchi's takeover of the family cinema chain happened to roincide with the golden age of the Japanese big screen — with the result that he soon had plenty of spare cash on his hands. It was natural therefore that, when a small local shipyard got into difficulties, he should be asked to put up money for its rescue — and that he should eventually become its president.

Since acquiring the Kurushima Dock in 1953 Tsubouchi has added 12 more small or medium sized shipyards, as well as one big one, to his shipbuilding chain. So group annual production figures have climbed steadily even if capacity at individual yards has had to be cut drastically in accordance with norms laid down for the whole of the Japanese shipbuilding industry.

Tsubouchi claims that, with virtually every company he has bought, whether shipbuilding or some other activity, he stepped in after being invited to do so by the previous management (which was usually on the point of going bankrupt). He also claims that the vast majority of the companies under his wing are earning profits that are well above the average for their industries.

### Free of debt

Sasebo Heavy Industries, the big shipbuilder in the southern island of Kyushu that was on the point of going under when Tsubouchi became president in 1978, moved back into the black within three years and is now almost free of bank debts accumulated before the transfer. The Toho Sogo Bank, which Tsubouchi rescued in the mid-1970s after it had lent too heavily to a regional shipping line that eventually went bankrupt is today not only profitable but boasts the highest ratio of deposits to employees of any of Japan's 650-odd financial institutions.

The key to Tsubouchi's strategy for making going roncerns out of nearly bankrupt companies and for keeping his whole unwieldy group in a state of constant ferment, can be expressed in one word—mobility. Tsubouchi himself has no office since be is constantly on the move among the various parts of his empires. He expects his senior managers to do a baffling variety of jobs (such as acting as president of the newspaper while simultaneously holding down a post as hotel manager or president of a car hire company).

Last but not least, it is group policy to move workers between the various product or service divisions that make up Kurushima as and when business ronditions demand it.

Tsubouchi claims that group flexibility is such that some 20 per cent of the entire workforce of the shipbuilding division (still the largest in terms of employment and sales) rould move to othec divisions at two weeks' notire should the shipyards be hit with o sudden fall-off in orders.

However, workers do not make moves between individual shipyards. Each of the group's yards is geared to produce a certain type of vessel and wages are fixed acrordingly. To move staff from a big yard building tankers of 200,000 tons or more to a small one employing 60 workers to build fishing vessels would not help group solidarity, in Tsubouchi's view.

Apart from stressing mobility, 68-year-old Tsubouchi works on one other very simple principle. "My idea," as he puts it succinctly, "is: the less people the better." The Kurushima group employs 20,000 workers in all, to generate about yen 700bn (£2bn) worth of sales per year. But the extent to which Tsubouchi has managed to keep down the workforce (and particularly management) of his companies has made most of his competitors envious.

Sasebo Heavy Industries now has 3,500 employers and 35 managers rompared with the 7,000 workers and 800 managers at the time of Tsubouchi's intervention.

The Nikkan Shin-Ehime, Tsubouchi's one and only venture in publishing, employs 100 journalists and production staff to turn out a newspaper that has a circulation of 400,000. It thus counts as a "small" enterprise by official standards.

At the newest shipbuilding company to enter the Kurushima empire—the Kanazashi yard in Shizuoka—approximately 60 management staff currently preside ovec an operation that generates yen 25bn worth of sales per year. This is the same number needed to generate a yen 100bn turnover at the oldest yard in the Kurushima empire which means—as Tsubouchi's aides are not slow to point out—that numbers at Kanazashi are going to have to come down.

Exactly how Tsubouchi has managed to lose excess management when other Japanese companies have remained firmly but expensively wedded to the principle of life-time employment is one of the secrets of the group's success.

Tsubouchi himself denies that he has ever actually laid off a manager, but he does not deny shifting men from comfortable jobs in the accounting or general office of shipyards to much less comfortable ones in other parts of his group. Nor is there any doubt about the rigours of the "training programmes" laid on for staff of recently-acquired companies.

When Kurushima moved into Sasebo in the late 1970s some 400 management staff were transported to Shikoku for an intensive course on the psychology of business administration. During these courses Sasebo men were invited to confess their personal responsibility for the near failure of Sasebo and to promise that in future they would try a lot harder.

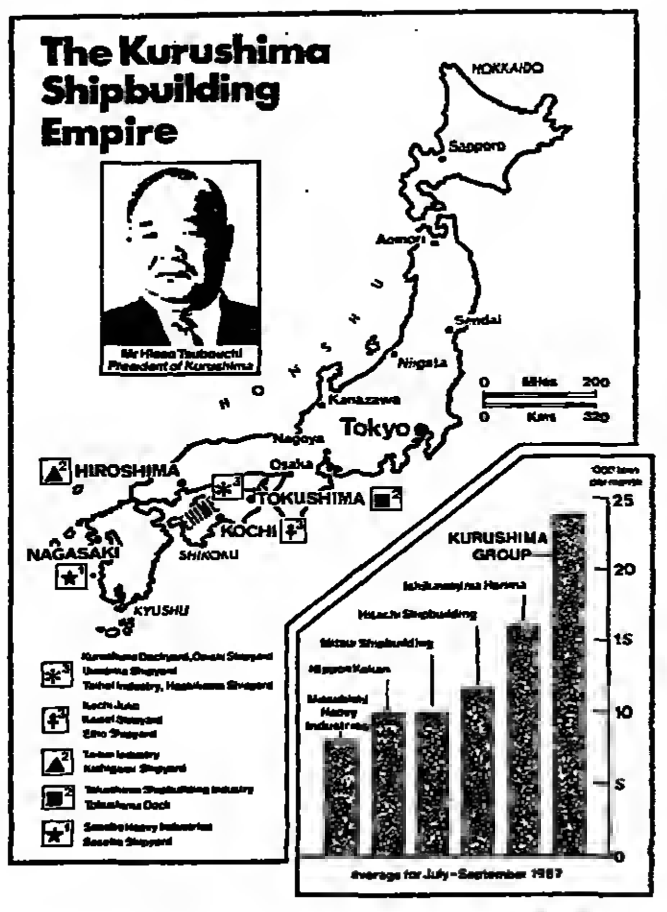
Tsubouchi has found one other way of saving labour costs at at least one of his plants—though company executives insist that cutting wage rosts was not the main reason for the scheme. At Kurushima Dock's Onishi yard about 60 young convicts work alongside ordinary dockworkers at a wage of ¥7,000 (£18) per month, while receiving free board and lodging at a branch of the local prison which is located right inside the dockyard. Prisoners spend a year at Onishi (where they can pass examinations in any of three basic shipbuilding skills) before being released into society on the expiry of their sentences.

### First aid

The rompany claims that only a dozen or so have attempted to escape during the 10 years or so that the scheme has been in force and that all have been easily recaptured. To the casual observer the prisoners look exactly like other workers, exrept for the colour of their helmets (blue in contrast to the prevailing yellow) and for the fact that they sprint to and from work in platoon formation while other workers use bicycles.

Where the energetic Tsubouchi's career of business ronquest is going to take him next is largely a matter of guesswork to outsiders. Tsubouchi himself, however, has made an oblique admission about rumours that be has been asked to acquire the Shikok network of Japan National Railways as part of a programme which would split up the state railways system into a series of privately owned companies in different regions of Japan.

Tsubouchi has never been outside Japan and is definitely not interested in acquiring foreign companies that might stand in need of his particular brand of first aid treatment. If he were, there might by now be quite a queue of frustrated Western businessmen outside the visitors' room at the golf club in northern Shikoku where Tsubouchi does most of his business.



Marion Sedger

Petra Kelly and Arthur Scargill—plotting behind the back of the establishment (in the form of the former French premier) ?

# 'Famous names jostling to get a word in edgeways'

## Christopher Lorenz on last week's Davos Symposium

IT WOULD be churlish, not to say dangerous, to accuse someone named Tolstoy of being ill-read. Regardless of any sense of tact or decency to the individual roncerned, it would reflect badly on one's own sense of literary history: how rould anyone fortunate enough to share that great patronymic disregard the printed word?

Yet, at first sight, one is tempted to call Stephan Tolstoy just that. Like 500 other top European executives, he has just spent an expensive week in Switzerland listening to a bevy of foreign politicians, economists and bankers expound news and views which he could have picked up far more cheaply and thoroughly over the previous yeac by assiduous reading of the better international newspapers and periodicals.

Or could he?

It is always depressing for a professional writer to admit it, but most managers, no matter how elevated, spend only a tiny proportion of their time reading material that originates outside their own organisation. Many others hardly read anything at all.

A 42-year-old Swede who is one of Price Waterhouse's top international tax experts, Tolstoy admits that the pressures of his work are such that his regular international reading is confined to the Financial Times, plus a weekly digest of business news and, irregularly, Business Week and the Economist.

The average media person may regularly get through five times as much, but by many executives' standards Tolstoy is extremely well-read (how could it be otherwise, as a daily reader of the FT?). In the words of a German chief executive at the symposium: "It's all very well for journalists to carp—but we managers don't get the continual exposure to all these broad issues."

It is equally galling to have to concede that most people these days find the written word far less riveting a medium than oral communication, especially the face-to-face variety.

This is where the European Management Forum's massive annual Symposium, held in the smart ski resort of Davos, excels: at throwing together all sorts of businessmen, politicians and others in an intense atmosphere of personal communication, with all the usual barriers of status and formality left at home.

In the space of an action-packed eight days, executives like Tolstoy can debate with the famous, from Helmut Schmidt and Raymond Barre to Sir Fred Hoyle. At this year's symposium they could also discuss with each other how to deal with counterfeiters, or with the EEC Commission's disclosure proposals. They could meet a host of inward investment delegations (from China, the Lebanon, Malaysia, Nigeria and Tasmania this year, many others in previous years). They could learn lateral thinking from Edward de Bono himself, be taught how to reduce stress, or how to use a personal computer (this page, February 7), and attend a mass of "briefings" and "workshops" on countless other subjects.

In addition to these organised sessions, they rould themselves initiate discussions on any subject they liked, whether with executives from the same industry, or from others. They rould get in a huddle with would-be customers or suppliers, even sometimes with government ministers, either in one of the many hotels or Stuben which are jotted around Davos, or in the plentiful nooks and crannies of the luxurious Congress House. (They could even retire to one of the seminar rooms in its nuclear bunker, if they were hyper security-conscious. Several were.)

Failing that, of course, there are always the ski slopes. Until they have ventured out on the pistes several times, many symposium participants naturally feel they have not had their money's worth. Which is understandable: In addition to the rost of travel, most meals and accommodation, they—or their rompanies—pay SwFc 8,200 foc attending, or half that if their organisation olready has a rorporate subscription to the Forum.

Yet cynical first-time visitors to the symposium are always surprised at how few participants duck out of the intensive work sessions to show their paces on the slopes. This is partly because of the way the programme is organised. Starting promptly at 8.30 and finishing at 7.15, or even after dinner, it allows time for a good couple of hours skiing in the middle of the day—if you're prepared to go without lunch.

### Masterly exposition

Though the pcogramme structure is both varied and effective, a number of businessmen at this year's symposium would have liked some of the formal sessions to pcobe rather more deeply.

They felt the platform was sometimes packed too tightly with famous names oll jostling with each otbec to get more than a word in edgeways. It certainly seems a pity to bring Prime Ministers and theic ilk from countries as far afield as Denmark, Egypt, Greece and the Philippines, and not give each of them at least half an hour to debate in public with each other and with the businessmen.

The only one really allowed to spread himself this year was Robert Muldoon, the New Zealand Premier, who delivered a masterly exposition of why the world's main economic, trade and financial institutions have become so ineffective, and ore in need of drastic overhaul.

It was also a pity that this year's main "alternative" speakers, invited in order to provide a provocative confrontation to the businessman's usual assumptions, were put togethec on the same platform, rather than in direct juxtaposition with an equally well-known member of the establishment. In the past the Forum has, for example, pitched Franz Josef Strauss against a Dutch Socialist Prime Minister, and leading exponents and opponents of nuclear powec against each othec. The technique cannot hope to pcoduce a meeting of minds, but it certainly makes the businessmen question their own entrenched positions.

This year's prime "subversives" were Petra Kelly, the best-known leader of the "Greens," West Germany's controversial ecologist party, and Arthur Scargill, president of Britain's National Union of Mineworkers. As an arch left-winger, he is a vociferous scourge of the capitalist system, and Thatcherism in particular.

Bracketing them togethec allowed the audience to use them as Aunt Sallys, indulging in rather superficial and sometimes offensive, questioning; Kelly in particular came under fire from the German businessmen, a few of whom descended to unseemly taunts redolent with male chauvinism—with the paradoxical result that by the end of the knockabout session Kelly seemed to have gained considerable sympathy from the rest of the audience, in spite of their opposition to hec views.

The disappointment felt about this discussion might have been avoided if eithec Kelly or Scargill, with theic fierce condemnation of nuclear weapons, had been paired directly against the diametrically opposed views of one of the star speakers at the symposium, General Bernard Rogers, Nato's Supreme Allied Commander Europe. With his loquacious and persuasive case foc "peace through strength," it would have been an epic confrontation of Tolstoy-like proportions. Always assuming, of course, that he was prepared to meet the enemy face to face.

# THE ARTS

Television/Chris Dunkley

## Bad timing for arts lovers

It surely says something about trends in television that the two best drama items in the past week were both documentaries. It says something else about television scheduling that they were on broadly similar topics—the serious side of the arts—and would clearly be appealing to the same audience yet were transmitted simultaneously so that those viewers without video recorders (still a large majority) would have to miss one or the other.

The two programmes were *The Rothko Conspiracy* on BBC 2 and *Mrs Woolf's Room* on Channel 4, and even those who do possess video recorders will presumably have been grinding their teeth in frustration because the chosen transmission time was the middle of Sunday evening: the very same time that BBC 1 and ITV put out their weekly arts programmes *Omnibus* and *The South Bank Show*.

On such occasions even those of us who accept the argument about competition in broadcasting ultimately favouring the viewer and who understand the virtual inevitability of like being scheduled against like in a form of symbiotic protectionism would still love to bang the broadcasters' heads together.

If you did choose to ignore the two regular arts programmes (which meant missing a rather good *Omnibus* item about the adaptation to radio of Raymond Briggs' comic strip "When The Wind Blows") and you did happen to have a recorder then you could end up with a remarkable contrast in drama-documentary styles.

*Mrs Woolf's Room*, produced and directed by Barrie Gavin and written by Claire Tomalin, was an impressionistic sketch of Virginia Woolf which built up its portrait like a pointillist painting using a thousand little dabs of colour, seeming like a blur close to but resolving into a remarkably clear picture when considered from a distance.

Anna Massey who has not only a suitable appearance but the right precision of speech (even if, like practically everyone else, she can't pronounce "anemone") played the central rôle with a feeling of quiet desperate beauty which was wholly realistic. Gavin, however, used all sorts of non-naturalistic touches to fill out his picture: blow-up monochrome photographs beyond the windows of his set; a recurring slow-motion image of scissors flung into a fire; moving light giving the effect, presumably deliberate, of a lighthouse; moments of repose which suggested pre-Raphaelite paintings and so on.

In other words, like an Asdic tracing of the ocean bed, the programme itself was an electronic representation of a Woolf novel, conveying its essence not by action or chronological narrative but by the layering of images, seemingly random thoughts fall expressed in voice-over, never in lip-synch) and above all the conjuring of mood. One of its most valuable attributes was that most ignored of all television's effects: silence. Like his snatches of piano music, Gavin used it to remarkable effect.

It was above all this use of stillness which gave *Mrs Woolf's Room* a commanding sense of pace which is distressingly rare in television and especially in a programme less than an hour long. Taken with Claire Tomalin's cunningly selected passages illustrating Virginia Woolf's detailed concern for all the main tenets of what has since become the feminist creed it created an unusually powerful and poignant picture.

*The Rothko Conspiracy* was not short on power either: it provided a detailed and shocking indictment of a leech-like band of New York parasites who managed to suck millions of dollars out of the estate of abstract painter Mark Rothko before they were foiled in true Hollywood fashion by a tenacious junior member of the District Attorney's office.

The "Hollywood" tag could equally well be attached to the *style* of this programme which, apart from a bit of pointed intercutting at the start between $1m being bid at auction for a van Gogh while Rothko, the latterday van Gogh, prepared to slit his own veins in the squalor of his studio, used conventional dramatic realism building in chronological sequence to a tense courtroom climax to tell its story.

What must surely have been London locations, English studios and British actors were all made to serve with admirable effectiveness for their American counterparts. Ronald Lacey in particular offering up another nugget of a performance as the chief baddy, Frank Lloyd, head of the Marlborough Gallery.

The only other drama I have seen so far in the current season which I would rank somewhere near these two pieces is the two-part German production *The Oppermanns*, shown on BBC 2 10 days ago and simultaneously in 10 other countries on the 50th anniversary of the day Adolf Hitler succeeded to the Reich Chancellorship.

The interesting thing is that although *The Oppermanns* cannot be considered a drama-documentary in quite the same way as the Woolf or Rothko programmes since it was adapted from a novel by Lion Feuchtwanger thus featuring fictional and not real characters at its centre, the story it had to tell was of course based entirely upon actual events. Egon Monk's adaptation for television even brought in a considerable number of newsreel clips and still photographs, and while the foreground was occupied by imaginary Oppermann family the background was solid with personalities and political events which were all too real.

Ben Cross in "The Citadel"

Monk can hardly be credited with the lightest directorial touch, being far too fond of shooting dialogue in a drearily static manner with three or four protagonists parked round the table, sometimes making things even worse by shooting over the back of someone's head in surprising disregard for the fourth wall convention.

Yet much can be forgiven this work for the vividness and fine detail with which it filled in the minutiae of everyday life for a Jewish family in the early days of the *Nazis*. Thanks to the post-war generation of German film-makers and to previous work on television (including the much maligned *Holocaust*) you have little excuse today if you still know nothing about the way the Nazis slipped and scrambled into power.

However, I have never seen anything else on television which even *tried*, let alone succeeded as *The Oppermanns* did, in laying out quite so clearly the precise elements which brought the hideous influence of the Brownshirts with such devastating effects into particular lives—here those of the schoolboy, the writer, the businessman and the doctor. If the base of Monk's production was heavily varnished teak, the top was inlaid with detailed marquetry of a very fine grain.

In the end, though, *The Oppermanns* would scarcely be a notable series were it not for the historical significance of its subject. Much of our own home produced serial drama is made with equal and very often greater craftsmanship, though its subject matter may not be quite as commanding. BBC 1's A. J. Cronin adaptation, *The Citadel*, for example is proving to be a solid, lustrous, dovetailed mahogany job of the sort which in recent years I had begun to think the corporation might be losing the art of making. With *The Citadel* following so soon after *Borchester Chronicles* that fear seems premature. Moreover, even if an illustration of British doctoring prior to the welfare state is of less lasting significance than the *rise* of the Nazis it is certainly not a trivial subject to have lurking behind such a captivating narrative.

Channel 4's *Irish RM*, on the other hand, does seem increasingly trivial and perilously stretched in filling its 60-minute slots. Here we have some questionable stripped pine trying to trade on the period charm of its country cottage looks, the cracks and the joints all being smarmed over with lashings of lavender polish.

I can take just so much supposedly endearing Irish blarney before I begin to wonder if its depiction isn't more insultingly patronising than all those Irish jokes which make Channel 4 and Guardian types so anxiously protective. Just as long as the wickedest Irish jokes are told by Irishmen and the best Jewish jokes come from Jews there is surely not much to worry about, but *The Irish RM* looks suspiciously like typical middle - class condescension.

ITV's series about the insidious effects of redundancy, *The Hard Word*, is respectable G-Plan drama which looks all the better for being shot on several locations including a real terraced cottage; and the same network's *Home Front* by Peter Tinniswood which started with the sad tale of a gifted child may yet turn out to be a unique example of idiosyncratic craftsmanship. It could, on the other hand, be merely an over - decorated whatnot with studiously "amusing" beading. We shall see.

Archaeology/Clive Wolman

## With the Saxons in Billingsgate

The first Anglo-Saxons to settle on this island appear to have overlooked the real estate potential of that square mile of land on the north bank of the Thames between Tower Bridge and Blackfriars. Whereas their 20th-century descendants are prepared to pay up to £50 a year to occupy just one square foot of earth, the Saxons for several hundred years established only tiny, dispersed settlements in the area of the City of London abandoned by the Romans.

The year-long £700,000 excavation by archaeologists at Billingsgate just completed unearthed no signs of occupation from the fifth to the ninth centuries. But the discovery of the largest and best-constructed Saxon quay ever to have been found anywhere indicates that when the Saxons decided to rebuild London at the time of King Alfred they planned and constructed it, and ran its economy, with remarkable sophistication.

The finds 25 feet beneath the former Billingsgate lorry park, closed down in January 1982, have finally put paid to the long-held view of the Saxons as a primitive and backward people. The earliest sign of occupation discovered by Mr Brian Hobley, the chief urban archaeologist at the Museum of London and his 80-strong team, was a Roman quay from the late second and third centuries. This *formed part of a half-mile deep-water* and straight-fronted quay built along the Roman waterfront west of the Tower.

The timbers of the quay, which reach to half their original six foot height, are being removed and will possibly be re-constructed in the docklands museum. Behind the quay, which is today well inland just south of Lower Thames Street, the diggers uncovered a wide variety of Roman artefacts. These will give vital clues as to whether London was already being run down and deserted in the early fourth century, a century before Rome finally abandoned Britain.

Many of the timbers from the quay were broken off and taken away, and the quay silted up. And for more than 400 years there is a resounding silence from the site as to what the early and middle Saxons were doing.

In the second half of the ninth century, as Viking raids became fiercer, the Anglo-Saxons built walled towns as centres of refuge. London was part of this process of urbanisation and the Roman wall along the river and on the town side of the quay was refurbished, during the reign of King Alfred. "It was very likely that the Billingsgate quay was built at the same time," said Dr Derek Keene, director of social and economic studies of medieval London at London *University*.

After the darkness of the Dark Ages, why did the Saxons return to this site? Dr Keene emphasises two factors: the direct water link to Europe at a time of growing trade and London's position at the nodal centre of the Roman road network which was being revived.

A tenth century source refers to three Saxon ports in London, at Queenhithe, Dowgate and Billingsgate. Any traces of the first two were destroyed in the last 150 years when deep foundations were dug for office and station development. But when the archaeologists dug through the strata of later centuries at Billingsgate to reach the bottom layer, they discovered the Saxon quay, con*structed of thick oak planks*.

The quay was 70 feet long and 10 feet high at low tide, sufficient to allow large ships to moor alongside it. "It is much more substantial and impressive than anything we expected," said Mr Hobley. "It shows that there was a well-executed plan to re-build the foreshore—it was not a piecemeal attempt. The size of the vessels which could use the revetment suggests that trade was expanding rapidly and had to be catered for."

A full analysis of the finds will probably take until the 21st century. But there may be signs of industrialisation in the Saxon period in the form of *slags and furnace linings*. The Saxon jewellery discovered includes a buckle and large finely decorated whalebone gaming piece. "The material shows a high degree of technical expertise and aesthetic sense," said finds supervisor Margrethe de Neergaard.

The Saxon waterfront structure is divided into two by a 10 yard long inlet wide enough to allow smaller boats to be hauled on shore. Dr Keene thinks it likely that the quays were privately owned. The goods may well have been sold on the quayside as soon as it was brought ashore with entry for traders as restricted as it is today in the London Commodities Exchange. Even by then Billingsgate bad probably already *started to specialise in* fish.

As always, the taxman was present, collecting customs duties, possibly at St Botolph's gate in the wall behind the quay. A monetary sytem was established and the Billingsgate archaeologists discovered several coins, including silver pennies—"enough to buy a sheep with," said Dr Keene.

No denomination of less than a penny is known. So the fish traders probably used an early version of the margin call, with coins changing hands only when one party's credit limit was exceeded.

Prince Charles visiting the dig at Billingsgate

## A Servant of Two Masters

**Rosalind Carne**

Goldoni's classic comedy marks a significant break in the commedia dell 'arte tradition. For the first time the familiar stock figures dispense with masks and their antics are preserved in a written script. Their bared faces herald a move towards greater subtlety of interpretation from actors in keeping with the fuller characterisation in the writing and its new emphasis on distinctions of social class.

More than 200 years later, Manchester's Contact Theatre Company, currently at the Ashcroft Theatre, Croydon, has chosen to take steps backwards by covering the faces of half the cast, and relying on a repertoire of balletic gesture, under the guidance of Sara Van Beers. It is a worthy experiment, an attempt to demonstrate as much where the dramatist came from, as where he was moving. However, the results are disappointing, for the necessary rising momentum of humour and intrigue is lost in a laboured concern for physical detail.

If this were the only problem the show might improve during the run, but Joe Windley creates more barriers to full enjoyment in the title role. Dressed for the harlequinade in motley trousers, flat shoes, white hat and black mask, voice and gesture become his principal means of communication and I found myself antipathetic to his use of both. The speech is strained, flattened Cockney, barking responses with that comic exaggeration which quickly becomes uniformity. The movements are practised and adept, but this Truffeldino needs more bounce, more agility and lightness.

Still, Peter Fieldson's production has it's moments, as when Gary Lucas's reptilian Pantalone fends off Paul Bradley's splendidly pompous Dottore, or when Peter MacQueen's nicely foppish Finrindo leaps over the rickety modern café tables. Complete with Martini sunshades, these small anachronisms only add to the gaiety of Sue Pearce's luminous set, the lido side of Venice, for sure. All the women are strong, as they should be, for they are blessed with some wonderful lines on sexual inequality. The proud swashbuckling Beatrice is by Anne Marie Marriott and Sara Mair-Thomas is most engaging as the saucy servant, Smeraldina.

## Cantata profana/Festival Hall

**Max Loppert**

The *Cantata profana*, the single Bartok opus for chorus and orchestra conceived and executed on a large scale, holds a special place in the affections of all Bartok lovers. It is not long, but it makes fierce and full demands on its performers — never gratuitously, but in the service of a marvellously rich and poetic musical canvas. As in the ballet *The Wooden Prince* (but with the difference that the cantata is far more tautly constructed), the fabular Bartok operates on several linked levels—as story-teller, as orchestral and choral enchanter, as visionary with a haunting and profoundly affecting tale of man and his relation to the natural world to tell.

For the reason that it is seldom given in London, Monday night's account by the BBC Singers, Symphony Chorus, and Orchestra under John Pritchard (broadcast on Radio 3) deserved a measure of gratitude. That measure would have been sizeably increased had Pritchard and his performers done the work anything like proper justice, instead skating equably over its surface. A newcomer, comparing his experience with the description of the work in Stephen Walsh's programme note, might have been forgiven for wondering what the fuss was about; for the rapturously subtle scoring was turned to a neglectful fustian (with the double chorus lumped together in one large group); the luminous beauties of the narrative unfolding, in which the dramatic and the "systematic" Bartok urge each other to new heights of creative fusion, were rendered in monochrome. Except in the solo singing of the bass, John Tomlinson and a new Hungaro-German tenor Josef Protschka (well able to surmount Bartok's thrilling but perilous vocal heights), the feeling was of an expert read-through.

How rarely, in the concert hall, are Pritchard's enormous musical gifts summoned to the cause of vigorous and impassioned artistic communication! This sadly disappointing Bartok was followed by a real curiosity of a Beethoven Choral Symphony—alike in tidiness of control and in want of fire and dynamic energy. The Romantic view of Beethoven, the Rolland myth of the Promethean revolutionary, may still require the occasional corrective; but to trip through the movements as though the earth-shaking side of the composer were a solecism to be avoided at all costs takes some doing.

## Carles Santos

**David Murray**

New Macnaghten Concerts: "Music Theatre Festival" features the "extended voice and piano" of Mr Santos. Small audience on Monday night, possibly select. Stage dark. Enthusiastic voice (ethnic timbre, variable pitch) belts out hearty phrase, many many times, comes nearer. Lights up gradually: voice belongs to solid chap in black garb, informal, pushing piano on. Suddenly abandons favourite phrase, tries another; improvises upon it with speed and energy, bits of Latin emotive mimicry, breaks of rapid light staccato in Swingle style. Maybe in Catalan, maybe not—no matter. Time passes.

Sense of something not happening, evidently shared by singer, who steps with new purpose to piano. Sits, plays as he previously sang except much less ambitiously: tireless repetitions of material such as untaught 12-year-olds idly produce, very innocent, very mildly enlivened by adding another few notes from time to time and repeating those too. Intermittent pauses for hieratically ambiguous gesture by right arm. Time passes like crazy. With the hour-mark coming up, Santos rises and does some more vocal impressions (who *was* that man who used to do trains?) — onomalopoeia rife, manner increasingly manic. Turns viciously upon piano, belabours music-stand; last seen climbing over the keys and into interior of instrument, not altogether gracefully.

On luckier nights, especially in the sticks, the turn may make a lively impression. Its musical features do not go beyond the Swingle tricks and the little additive game—gypsy fiddling requires far more imagination. It is *true* that what Santos does often sounds *exactly* like recent "serious" music for voice, but I would not draw any moral from that.

## Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

February 4–10

### Theatre

**NEW YORK**

**Amadeus** (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

**Agnes of God** (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

**Joseph and the Amazing Technicolor Dreamcoat** (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

**Crimes of the Heart** (Golden): Despite its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility full of gags, good acting and frequent phone interruptions. (246 6740)

**Geniuses** (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

**Nine** (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

**Good** (Booth): How Halder became a Nazi, in this London import starring Alan Howard and directed by Howard Davies, is eloquent, stylish in set and overlapping scenes, but ultimately convincing for the rather undramatic and prosaic reason that Halder was sought after and treated well. No moral tale there. (239 6200)

**Plenty** (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

**Cats** (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish recreation of the London hit. (239 6262)

**Laurie Anderson** (BAM, 30 Lafayette Av, Brooklyn): World premiere of United States Parts I-IV, by the best known of the New York-bred artist-performers. (636 4100)

**WASHINGTON**

**Toyer** (Eisenhower, Kennedy Center): Tony Richardson directs Kathleen Turner and Brad Davis in Gardner McKay's new tense and twisted murder mystery set on a California tennis court (254 3670)

**Show Boat** (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

**The Imaginary Invalid** (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (488 3300)

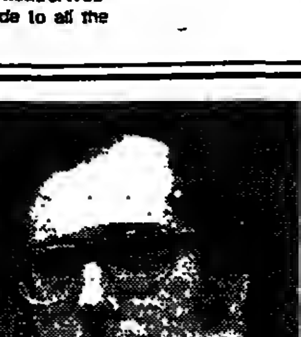
**CHICAGO**

**The Comedy of Errors** (Goodman): With Adriana played by world champion baton twirler Sophie Schwab and Luciana by Gina Leishman who has mastered seven musical instruments, this Shakespeare could be nothing but a circus, especially surrounded by the Flying Karamazov Brothers and street musicians and jugglers from across America in Robert Woodruff's lively production. (443 3800)

**Duet for One** (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

**E. R.** (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

**Shear Madness** (Mayfair at the Blackstone Hotel): Bruce Jordan and Marilyn Abrams recreating the roles they originated in the hit run of this comedy mystery in Boston and Philadelphia. (286 0252)



Harold Pinter's triple bill Other Places in repertory at Cottesloe Theatre, London

**Spalding Gray Retrospective** (Goodman Studio): The autobiographical monologuist best known to downtown New Yorkers is an acquired taste outside his natural habitat among the young solipsistic set. (443 3800)

**VIENNA**

**Vienna's English Theatre** (421 260): Arsenic And Old Lace (Daily except Sun)

**Theater an der Wien** (579 632): Anatevka (Daily except Mon)

**LONDON**

**The Real Thing** (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in *characteristically well-written*, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

**Other Places** (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

**Noises Off** (Savoy): Michael Frayn's backstage comedy is still the funniest play in London, owing small debts to Rattigan's Harlequinade and Pirandello's Six Characters. Brilliantly directed by Michael Blakemore. (836 8888)

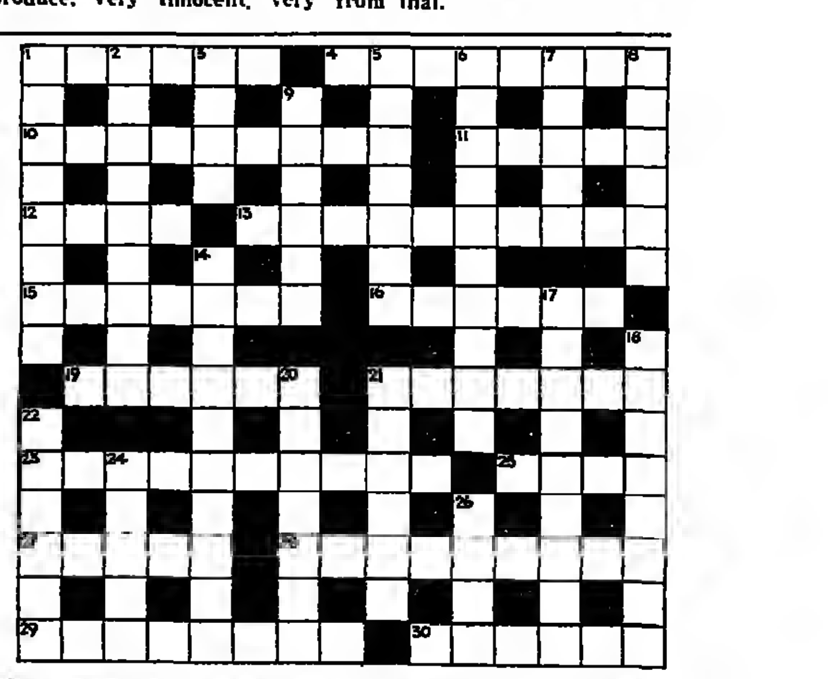
**The Pirates of Penzance** (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

**84 Charing Cross Road** (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)

**Trafford Tanzi** (Mermaid): Exuberant play that sets the battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

**Guys and Dolls** (Olivier). A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

## F.T. CROSSWORD PUZZLE No. 5,093



**ACROSS**

1 Household with French friend in travel by air (6)

4 Clips are replaced by exact copies (6)

10 It connects the two sides of Dundee (3, 6)

11 Connoisseurship mostly of general moral excellence (5)

12 Unsightly thug lying in hiding (4)

13 Railway worker—or does he work in a restaurant? (10)

15 Mean the pertinent facts (3-4)

16 Sharp reprimand for deserter in Ghanaian capital (6)

19 Trust many a revolutionary with the article (6)

21 One is going to say this (7)

23 Six hours on 25th December (7-3)

25 Complains audibly at the extent of it (4)

27 Refuse articles about the main artery (5)

28 Neither here nor there (2, 7)

29 Add nice at the end of the book (6)

30 The following drink for a prince with his mother (6)

**DOWN**

1 Now and then completely recovered? (8)

2 Marsh marigold on ancient ship possibly will bloom (9)

3 Ancient city held in the continental halt (4)

5 Choose gold for the German prince (7)

6 Note from sweetheart means nothing to the landlord (4-6)

7 Hot dish for contemptible person on the railway (5)

8 Old-fashioned shape (6)

9 I manage with a number on a carved image (6)

14 Adequate stock on the railway (5-5)

17 Mythological youth reflected on having a flower named after him (9)

18 One in favour of trees being replanted? (8)

20 Ends interim arrangement (7)

21 Fond of talking about race in the dried grass (6)

22 Scale-like structure for school head in the capacity of master (6)

24 Aweigh—inscription follows after a time (5)

26 Accountants' hard currency? (4)

Solution to Puzzle No. 5,092

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Wednesday February 9 1983

# Israel's need to choose

THE COMMISSION of Inquiry into last summer's massacre of Palestinians in Beirut confirms that democracy is functioning in Israel with its usual vigour. The Commission has done its work diligently and its recommendations are clear, even brusque. General Ariel Sharon must obviously go, not just from the Defence portfolio, but from the Government. He should be joined by the Chief of Staff, who is retiring anyway, and by the head of military intelligence.

The report concludes that Mr Menahem Begin, the Prime Minister, Mr Yitzak Shamir, the Foreign Minister, and the head of Mossad, Israel's intelligence service, must also bear some responsibility for the Beirut killings. The Commission's findings go to the heart of the Begin Government. They involve so many prominent figures that it must now surely be necessary for the Prime Minister to seek a fresh mandate from the electorate. He resisted initially the public pressure for an independent inquiry, but said later that if he was subjected to criticism he would call new elections.

This would seem the right decision to take at this moment, not just because of the serious accusations levelled by the massacre inquiry. Israel has other far-reaching judgments to make in the wake of the Lebanon invasion.

### Entrapped

The need for the invasion of Lebanon, the manner in which it was carried out, and the extent of civilian suffering divided Israeli society in a way that no previous war had done. It caused serious strains in its relations with otherwise sympathetic countries, not least the U.S.

The promise that Israel's occupation would ensure the safety of the Lebanese population and open the way to the restoration of a sovereign independent government has been shown to be barren. Israel's occupation forces have been sucked into the Lebanese political quagmire and threaten to remain entrapped there for months and possibly years.

It is not surprising that some Israeli hawks should be discussing the need to complete the work begun last June and take over all of Lebanon by driving out those remaining Syrian and Palestinian forces.

There should be no doubting Israel's military capacity to undertake such a task, but the Israeli public must be no less aware of the risks it would be running. The U.S., on which Israel depends so heavily for economic and military survival, does have a peace plan on the table. Although Mr Begin rejected it, there are indications that key Arab countries are willing to explore the proposals further. With even a hint of Israeli flexibility towards its long-term intentions in the West Bank and Gaza, or a gesture towards withdrawal from Lebanon, the initiative launched by President Reagan on September 1 could be saved.

The Commission has also raised fundamental questions about the organisation of government in Israel, the accountability of ministers and the relationship between generals and politicians. For a country which was born out of war and has lived since under threat of attack, it is perhaps inevitable that the distinctions between civilian and military authority should at times be blurred.

### Distorted

But many Israelis, particularly those who arrived from Europe in the 1950s, fear that excessive military influence in government has distorted and may eventually destroy that idealism which brought youngsters flocking from many parts of the world to work in Israeli kibbutzim.

There are fundamental issues about Israel's future which should dominate an election campaign. But for them to be put forcefully to the electorate it will require imaginative leadership from the Labour Party, for so long the natural party of government, to counter the grass-roots appeal of Mr Begin.

Further delay in the peace process would be regrettable, but an election should have the great merit of enabling Israel to make a decision between clearly presented alternatives. A rejection of the policies followed by Mr Begin and Mr Sharon could open the way to a new and more fruitful ear in Middle East peace negotiations. Should the electorate confirm Mr Begin in power it would leave the rest of the world in no possible doubt about the likely future direction of Israeli policy.

# Skirmishes in a trade war

THE HOLLOWNESS of the commitment to resist protectionism, expressed at the ministerial conference of the General Agreement on Tariffs and Trade (Gatt) last November, is becoming increasingly apparent. Talks this week between the U.S. and the EEC on farm trade, between the U.S. and Japan on Japanese car exports and between the EEC and Japan on a whole range of demands for Japanese export curbs concern not the dismantling of trade barriers but market sharing.

The U.S.-EEC farm talks are an attempt to reach an accommodation on competition in the export markets. The U.S., with some justification, considers that the EEC's common agricultural policy leads to the creation of surpluses which then have to be sold on the world markets at subsidised prices. This, in turn, gives the EEC a competitive edge which otherwise it would not have. The result is to push non-European exporters out of their traditional markets.

### Sharing the markets

The EEC has made it abundantly clear that it is not prepared to negotiate about the common agricultural policy. If it is not ready to address the root cause of the problems, exacerbated by the build-up of U.S. surpluses, then the only way for both the EEC and the U.S. to secure access to the markets they want to exploit is for the markets to be shared out.

The question then arises about how to divide the markets. The U.S. has started to retaliate against the EEC by blending aid with commercial credits to secure markets hitherto the preserve of the EEC. The sale of wheat flour to Egypt is the publicised example. But the U.S. authorities have approved similar potential deals in 10 other cases, of which four are probably directed against EEC subsidised exports. So the U.S.-EEC talks have the nature of peace negotiations to avert a trade war already in the early stages of skirmishing. If the peace treaty is ever signed, a market-sharing arrangement seems likely to be in the articles of settlement.

The other two sets of talks have a different quality. They reflect longstanding U.S. and EEC concern about highly competitive Japanese exports mingled with resentment about the difficulties of exploiting the Japanese market. In essence they are an attempt to define the share of the U.S. and EEC domestic markets for Japanese manufacturers.

Just as the U.S.-EEC farm talks have in the background the threats of trade war through subsidised sales, so these sets of talks have in the background the threat of direct measures against Japan if it does not "voluntarily" restrain its exports. In all cases, a strong dose of protectionism is involved. Upholding the multilateral trading system, as all three powers are committed to do, can surely not include market sharing under duress.

The Gatt ministerial declaration was quite clear. The trading powers would "make determined efforts to ensure that trade policies and measures are consistent with Gatt principles and to resist protectionist pressures in the formulation and implementation of national trade policy . . ." They would also make "determined efforts to avoid measures which would limit or distort international trade."

### Removing friction

It is, of course, quite natural that the world's three major trading powers should seek to remove frictions through consultation. But if the price of removing those frictions is cartelised arrangements on a sectoral basis, then it is not worth paying. There is little point in trying to negotiate within the Gatt a new régime for import safeguards if the major powers are going to make up the rules for their own conduct as they go along.

The history of recent U.S.-EEC-Japan talks has in any case shown that export restriction arrangements have done little to remove frictions. On the contrary they seem simply to have fed the demand for more restraint. As the powers ponder another dose, they might seek to align their actions with their rhetoric. "We either trade more and create more employment, or we trade less and create more unemployment," said Mr William Brock, the U.S. Trade Representative.

EUROPE'S ALUMINIUM INDUSTRY

# A year for painful choices

By Ian Rodger

THE rationalisation of British Alcan Aluminium announced yesterday looks like only the beginning of a *period of very painful* change for Europe's troubled aluminium industry.

The aluminium industry has been deeply depressed worldwide for the past three years. Prices have dropped so much that all the major producers are in loss. In Japan and the U.S., many smelters have been closed and others are operating well below their capacity. Kaiser Aluminum and Chemical, for example, the third largest U.S. producer, is operating at only 19 per cent of its U.S. capacity.

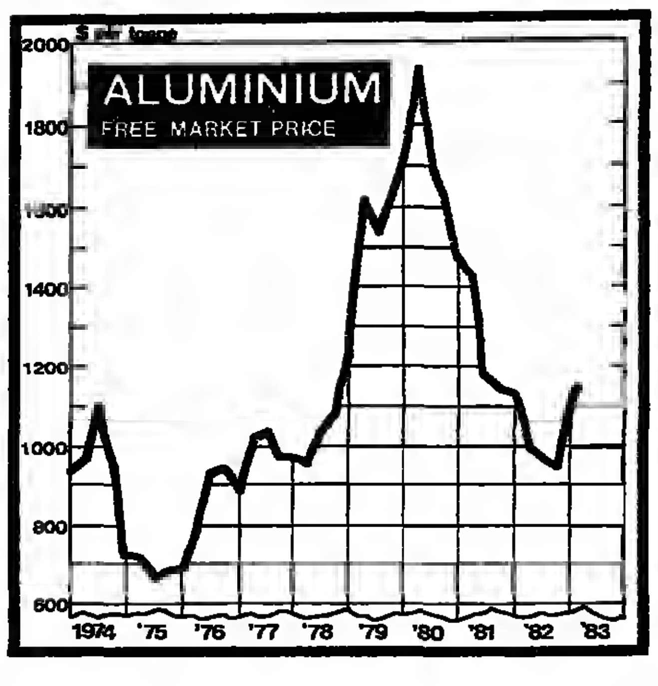
The European companies have been suffering financial losses at least as dramatic as those of their foreign competitors. Alusuisse had a loss of SwFr 52m ($25.5m) in 1981 and anticipated a "substantial" deterioration in its 1982 results.

The Italian state holding company, EFIM, said its aluminium subsidiary lost L250bn ($177m) in 1981 and L380bn last year. Endasa of Spain lost Pta 8.7bn ($67m) last year and one of its subsidiaries is now in receivership because of a dispute with a minority shareholder.

Yet so far, there has been only one important smelter closure in Europe—at Invergordon in Scotland a year ago—and only modest cutbacks.

Alusuisse, for example, is operating its European smelters at an average 88 per cent rate whereas its U.S. plants are working at only 42 per cent. Most other companies in Europe are operating at 75 per cent or better.

The Europeans have been able to keep going partly because they did not allow stocks to build up during the early part of the recession to the same extent that North American producers did.




Martyn Barnes

### Electricity one of the major production costs

But the main factor in their sustained position can be seen in the table of leading producers. Most are government owned, and governments have been reluctant to cut production or jobs. Now, however, there are signs that they may have to be prepared to do both.

(So far, the only European company that has concluded that it had no prospect of realising a profit in the aluminium business was Britain's TI Group, a private sector company. A year ago its British Aluminium subsidiary closed its modern Invergordon smelter after a long battle over power prices. It decided in October to sell the entire business to Alcan.)

Until the latest recession, aluminium had been one of the great post-war growth industries. No previous decline in its fortunes had ever lasted more than a year, so European Governments have understandably been inclined to hang on to their loss-making aluminium companies in anticipation of a recovery.

However, important changes have been occurring in the worldwide structure of the industry in the past few years that strike at the heart of the relative competitiveness of the European producers.

Aluminium is smelted through the electrolysis of alumina, and electricity is one of the major costs of production sometimes amounting to over half of total costs. Since the first oil crisis, the cost of generating electricity with fossil fuels has increased rapidly in most countries. Those aluminium producers with access to hydro-electric power have thus been in a better position than those dependent on fossil fuel generated power.

Canadian producers, and Alcan Aluminium in particular, are among the best placed for hydro power, along with a number of developing countries. Some oil producing countries, notably Bahrain, have used their low cost oil to develop highly competitive aluminium smelters.

The relative importance of low cost power can be seen in the change in the pattern of investment in new projects in the past few years. In the mid 1970s, there was a rush to Australia because that country had vast reserves of bauxite, the raw material for making alumina.

Early in the 1970s, producers had been frightened by the banding together in a cartel of a number of developing countries that produce bauxite. But in the past two years a number of aluminium smelter projects in Australia, New Zealand and Brazil have been postponed or cancelled, in part because of uncertainties over power contracts. Over the same period, one new smelter has been completed in Quebec and another project started.

Japanese and European producers on the other hand, have little access to cheap electric power and must pay heavily to generate electricity from fossil fuels.

When three large smelter projects were promoted in Britain in the late 1960s, special provisions were made so that they could have access to exceptionally cheap electricity—two based on nuclear power, one on coal.

Elsewhere in Europe, many of the aluminium companies, such as VAW and Pechiney, have long-term fixed-price power contracts dating back to the days when fossil fuels were cheap. But these are gradually running out, and as they come up for renewal, they confront governments with awkward problems.

Typically, the electricity utilities demand huge increases in the tariff charged to the aluminium companies—70 per cent in one recent case—and the aluminium companies claim they cannot afford to pay. Appeals are made to governments for long-term subsidies, but governments dislike any long term commitments and worry that other energy intensive industries will make similar appeals.

Alcan's smelter at Ludwigshafen in Germany was faced with the problem of a power contract renegotiation last September. The company threatened to close the plant, local politicians intervened and the matter is still under discussion.

In Holland, Aldel, a subsidiary of Hoogovens, has been getting cheap electricity since 1963 on the basis of a special contract with a gas fired power station. Recently, the Government told the company that it was considering breaking the contract before its expiry in 1998.

Meanwhile, the other smelter in the country, recently built by Pechiney on the basis of a contract for power from a nuclear power station, is threatened by public pressure to close the station.

Pechiney has been seeking an exemption from power rate increases in France for over a year. Last November, the French Government promised special subsidies but none have been given yet and the company continues to lose vast amounts of money.

In Japan, most producers decided that because of high power costs, they could no longer be competitive, and so a major rundown of the aluminium smelting sector is underway. Since 1977, capacity has been cut from 1.6m tonnes to 700,000 tonnes, and further closures are planned.

In Europe, there is no sign of a major rundown of that nature, but some recent moves indicate a trend. Pechiney, for example, has told the Government it wants to close some of its smaller smelters in France. At the same time, it is near to agreement on building a $1bn smelter in Quebec.

In Italy, ministers have repeatedly postponed making a decision on the various plans that have been drawn up for restructuring the industry. The interministerial committee for industrial policy is due to decide the industry's future at the end of March, but in the meantime has approved the injection of another L200bn to keep it going.

The key element in the restructuring plan is for Alusuisse, which is already in a joint venture with EFIM, to become a junior partner in a new holding company for all the aluminium subsidiaries.

However, Alusuisse is posing stiff terms, requiring the Italian side to put up all the L735bn required and the Italian electricity utility to cut its charges to the average level paid by aluminium smelters in Europe. Otherwise, Alusuisse says it will pull out of its aluminium interests in Italy.

Its threat is made credible by the group's stated policy objective of reducing the importance of its aluminium interests from two-thirds to half its turnover by 1988.

The situation in Spain is even more unusual. Aluminio Espagnol, a joint venture of the state-controlled Endasa and Alugasa, controlled by Pechiney, has been losing heavily in the past two years.

Last October, it had to apply for temporary receivership because it was unable to meet the quarterly $9m payment on a $200m international credit, and the owners could not agree on a needed restructuring.

Since then, the Spanish Government and Alcan, which has a minority stake in Endasa, has agreed to inject another Pta 11.5bn in Aluminio, but Pechiney has not participated in the new financing and it is thought to want out.

The one country in Europe where the aluminium smelting industry seems to have a secure future is in Norway where there are cheap and ample electric power supplies. Still, the decline in metal prices has driven even the Norwegian producers into serious losses in the past two years.

The largest producer, Ardal, lost NKr 500m ($70m) last year and recently had to ask the Government for NKr 650m in new equity.

A number of industry executives believe that markets are improving slightly, but others wonder if the recent firming of metal prices is merely a reflection of a gradual decline in inventories and some speculation.

### Subsidy level may prove sticking point

Even if markets do improve, European producers are not among the best placed to take advantage of an upturn. Other producers, whether enjoying natural advantages not present in most European countries or benefiting from massive government subsidies, will continue to make life difficult.

It has been argued in the past that it would be unwise for industrial countries to become dependent on imports of an important metal like aluminium. But many European governments may conclude that supply is unlikely to be a problem in the near future and the level of subsidy needed to compete with some developing countries is unacceptable.

*With contributions from James Buxton in Rome, Walter Ellis in Amsterdam, Stewart Fleming in Frankfurt; Foy Gjester in Oslo, David White in Madrid and John Wicks in Zurich*

**HOW PRODUCTION HAS FALLEN**

'000 tonnes

| Area | Africa | North America | Latin America | East Asia | South Asia | Europe | Oceania* | World | Daily Average |
|---|---|---|---|---|---|---|---|---|---|
| 1978 Total | 336 | 5409 | 413 | 1126 | 385 | 3345 | 414 | 11428 | 31.3 |
| 1979 Total | 401 | 5421 | 668 | 1084 | 376 | 3425 | 425 | 11806 | 32.3 |
| 1980 Total | 437 | 5726 | 821 | 1168 | 399 | 3505 | 460 | 12606 | 34.4 |
| 1981 Total | 483 | 5603 | 793 | 817 | 513 | 3351 | 536 | 12296 | 33.7 |
| 1982 Total | 501 | 4343 | 795 | 376 | 625 | 3286 | 548 | 10474 | 28.7 |
| 1981 December | 42 | 423 | 66 | 50 | 47 | 292 | 46 | 966 | 31.2 |
| 1982 December | 39 | 341 | 70 | 24 | 58 | 268 | 50 | 850 | 27.4 |

*Southern Pacific region including Australia and New Zealand

**HOW STOCKS HAVE EASED**

| | Africa | North America | Latin America | East Asia | South Asia | Europe | Oceania | World |
|---|---|---|---|---|---|---|---|---|
| at end of NOV 1981 | 121 | 2853 | 161 | 350 | 175 | 1164 | 199 | 5023 |
| at end of OCT 1982 | 95 | 2833 | 161 | 288 | 154 | 1218 | 186 | 4935 |
| at end of NOV 1982 | 93 | 2824 | 153 | 239 | 162 | 1209 | 185 | 4865 |

Source: International Primary Aluminum Institute.

**LEADING ALUMINIUM PRODUCERS IN EUROPE**

| Company | Capacity 1982 '000 tonnes |
|---|---|
| Pechiney Ugine Kuhlmann (France) | 765* |
| Alusuisse (Switzerland) | 473† |
| Ardal (Norway) | 370 |
| VAW (W. Germany) | 345 |
| Endasa (Spain) | 320 |
| EFIM (Italy) | 280 |
| Alcan (Canada) | 220 |
| Norsk Hydro (Norway) | 160 |

* Includes PUK's smelters in Holland and Greece.
† Includes Alusuisse smelters in Iceland, W. Germany, Norway, Austria and Italy.

FT sources

# Men & Matters

### Maddock's board

Sir Ieuan Maddock, aged 66, principal of St Edmund Hall, Oxford, and formerly chief scientist to the Department of Industry, has been appointed the first vice-chairman of U.S. General Electric's UK subsidiary.

The job has been created specially for him to help lead International General Electric Company of New York Ltd (as the UK company is rather laboriously called) in a new drive with high-technology products in the European market.

Maddock and a new chairman, John Hewitson, aged 44, a lawyer who joined GE in 1978 from British Aerospace, have been appointed simultaneously in a shake-up of the British subsidiary's corporate role.

Hewitson replaces Peter Davidson, aged 62, who has returned to the U.S.

GE has built up its work force in Britain and Ireland from a few hundreds in the 1960s to about 7,500. Group sales in UK are now over £200m a year.

Maddock's board-room role will be, I am told, to advise on the application of high technology as GE thrusts into Europe.

With his nuclear background (he used to be head of experiments for the Atomic Weapons Research Establishment), and Whitehall experience, he will be a formidable addition to the American company's European presence.

The best story I know about Maddock is one he once told me himself.

A brash young minister called Heseltine arrived at the Department of Industry when Maddock was chief scientist. Heseltine lined up the top officials and said "By the time I was 30 I'd made £500,000. Now tell me what you've done?"

Maddock replied "I'd let off six nuclear bombs"

### Worth a thought

It pays to think things over — as the British packaging group DRG discovered this week.

DRG signed an agreement last Wednesday, selling its 70 per cent stake in its South African subsidiary to a local company, Kohler.

Under the South African exchange controls, DRG was allowed to remit part of the proceeds of the sale in the form of a special dividend at the commercial exchange rate, then 93 U.S. cents. But almost half the funds had to be sent through the financial rand which was trading last week around 20 per cent below the commercial exchange rate.

Thinking that the financial rand rate might improve, DRG (on the advice of its bankers) decided to wait for a few days before selling its rands.

As it turned out, exchange controls and the financial rand were scrapped over the weekend, and DRG can now transfer the entire proceeds at the unitary exchange rate, currently 88 U.S. cents.

Last week DRG would have been able to deposit £13.6m in its bank account from the sale. If it makes the transfer now, it will have £13.9m—a profit on its second thoughts of £300,000.

### Profitable lines

It is not this column's habit to pass comment upon ladies' wrinkles. But when they become big business they can no longer be politely ignored.

A skin cream marketed by Beecham is causing a rumpus in the U.S. The unguent is called 2nd Debut and Beecham is claiming that it will do for users exactly what the name suggests.


"We're out of luck—it's just full of old coins"

So vigorous is the campaigning by the group's subsidiary in the U.S., Jovan, that it is being sued by a competitor over the claim that 2nd Debut retains moisture in facial skin "11½ hours longer than the leading beauty fluid and night creams."

Oil of Olay [Ulay in Europe] one of the leaders in the face lotions trade, and a subsidiary of Richardson-Vicks in the U.S., is crying foul. It says that the machine being used by Beecham to make measurements in support of the claim for renewing that first flush of youth is "inappropriate." Hence the suit.

Beecham says in its defence that its claims are based on the results of careful measurements of the electrical resistance of skin, using the contentious machine, to establish the level of wetness or dryness.

Beecham's trade in 2nd Debut in the U.S. is, it says, only "peanuts" in comparison with Jovan's total sales volume.

Nevertheless, Beecham is determined to continue with its pitch for 2nd Debut—there is a lot of money to be wrung out of American wrinkles.

### On the map

From architect to dealer in rare maps may seem an odd direction for a career to take. But Bruce Marsden, who has bought out the maps and prints side of stamp dealer Stanley Gibbons' business in London's Southampton Street, has some sound reasons for making the switch.

Though still registered as an architect, Marsden left the London firm in which he was an associate partner in 1977.

"There was a lot of uncertainty in the building industry and it was hard work keeping ahead," he says.

Then an insurance company suggested a pension scheme for the firm. "I thought I could do a lot better for myself by buying rare maps—then a hobby—as a long-term investment."

Marsden made a comfortable living out of his private company Cartographia for three years. Then Stanley Gibbons invited him to manage the business he has now acquired with the help of the Government's Small Business Loans Scheme.

With a "steady" domestic market for rare maps—selling in the main for between £30 and £300—and a growing overseas interest, Marsden expects a first year turnover of £250,000-£500,000.

### Cover story

Anxious to boost sales, a camping equipment manufacturer has drawn on Shakespeare for some inspired advertising copy: "Now is the winter of our discount-tents."

***Observer***

THE VANCOUVER STOCK EXCHANGE

# The best game in town . . .

By Christian Tyler, recently in Vancouver

WHEN VANCOUVER'S citizens want to gamble, they don't bave to drive across the border to Las Vegas or Reno. They just have to keep their ears open to what is happening in the Granville Street akyscraper that houses the Vancouver Stock Exchange (VSE).

Even the gambling fraternity were a bit shocked, however, wbey they read about the Christmas party thrown by the city's most profitable brokerage house in the middle of Canada's economic recession: an "Arabian nights" extravaganza in a downtown hotel said to include dancing girls, real geese on an artificial lake, and a live elephant in the ballroom.

Poor taste or not, such ostentation was considered unhelpful to the image that the VSE is now assiduously presenting to the world as a mature, venture-capital market where past peculation has given way to "clean speculation" in mineral and energy resources.

The financial establishment of Canada has been forced to admit that Vancouver today is something more than a local lottery and that quite a lot (if still, in some people's view, not enough) of the money raised on the exchange actually finds its way into the ground. For instance, the Toronto exchange, Canada's premier market, has been rewriting its own rules in order to win back from Vancouver the better "junior company" listings it threw out in the 1960s after the Windfall Mines scandal.

Vancouver's 1,100 listed shares are attracting buyers from far afield and some of the most reputable brokers, while publicly dissociating themselves, have been secretly underwriting the penny stocks in which the VSE specialises.

Up to 40 per cent of the money fuelling Vancouver's latest bull market is reported to be from the U.S. and around 15 per cent from Europe, allowing British Columbia's Superintendent of Brokers to claim that the exchange is achieving a good spread, with plenty of buyers and sellers. But if the geographical spread is wide, the object of the latest excitement is quite specific: gold.

When the VSE broke the Canadian trading volume record recently, clocking up $33.3m transactions in one day, about a third of that business was related to the Hemlo ore-body discovery in northern Ontario. Hemlo is today's hyperbole, the latest, biggest, best game in town.

Lead players at the Vancouver Stock Exchange: Mr Murray "The Pez" Pezim (left), Mr Rupert Bullock, Superintendent of Brokers, and Mr Peter Brown of Canarim

Vancouver's gold rush (it was oil and gas two years ago, before that uranium or base metals) makes Wild West imagery inescapable when describing the VSE. Some of its leading characters could have walked straight out of the OK Corral. There is the flamboyant Mr Murray Pezim, director of 52 companies, who has made and lost several fortunes, is personally worth upwards of $50m, and doesn't mind being called "The Greatest Stock Promoter in the World."

There is the handsome, boyish, high-living and very rich Mr Peter Brown, president of Canarim Investments, the VSE's leading broker, and now chairman of the exchange. (It was Canarim that threw the Christmas party.) And there is the sheriff: former staff-sergeant Rupert Bullock of the Mounted Police, latterly investigator for the Mounties' commercial crime department in Vancouver, and now Superintendent of Brokers, Insurance and Real Estate.

It was Murray Pezim (he calls himself The Pez) who really unlocked the Hemlo ore. He put $2m of his money behind the hunch of a geologist called David Bell, a former employee of Dome Mines, who had "a theory" about some old workings on the trans-Canada highway. Mr Pezim controls about 40 of the 100 companies now prospecting in Ontario, and with his friends has a large interest in some of the most glamorous stocks.

Mr Pezim promotes, Mr Brown trades. Between them, the two men have probably done more than anybody to put the VSE on the map—and they are extremely keen to rub out the exchange's bad reputation. Five years ago Mr Pezim himself brushed with the law. Pursued by Mr Bullock, then working as investigator, he stood trial for alleged fraud. The case was dismissed.

The VSE's doubtful reputation stems in part from the activities of promoters who buy shares in dormant shell companies listed on the exchange, sell to those companies mineral rights for more shares, then talk the stock up. At the right moment they unload, often leaving a lot of disappointed little investors around. Mr Pezim says he stays with his stocks: he has an old bankruptcy petition to prove it "I am not bashful with my money," he declares.

"People as a rule love to gamble. I guess you could say this is the largest gambling market in the world. But 95 per cent of all discoveries are done by junior companies and we have the best in engineers here. Every week I do an average of $70m or $80m in financing, always underwritten. I guess in this office we handle more money per square foot than the major banks.

The former butcher's boy from Toronto went out West after what he calls a "tiff" with the Toronto Stock Exchange where he had learned the brokerage business. He learned about people, not just stocks, he says.

Mr Pezim hates and scorns the Toronto exchange. He relishes the irony of the Hemlo business: the gold prospects are in Ontario, under the noses of the TSE, but most of the stock market action is in Vancouver, and a lot of that action is Murray Pezim's. "I love tweaking the big boys," says Mr Pezim as he fished out the prospectus for one of his latest creations, Noxe Petroleum Corporation. It was originally to be called "Noxxe," but a certain oil company threatened to sue Mr Pezim for $4m. "We said we would take one 'x' out. For $20 a share, they can buy me out," he laughs.

Peter Brown seems very much part of the Pezim inner circle, but his upper-crust manner is the antithesis of Murray Pezim's. The VSE operates in the same legal framework as Toronto, Mr Brown insists. But it operates the rules positively rather than negatively. "The TSE and Montreal are reopening a junior market. They want to do it as a hobby but you cannot run it like that. We are going to kick hell out of them.

"Less than 1 per cent of our deals have any regulatory problems at all. This is the best venture capital market in history in terms of regulation."

One sign of Vancouver's maturity as a market is that the provincial government is de-regulating the exchange. Much of the supervision will be handed to the VSE itself. That will take a lot of paperwork from Superintendent Bullock's crowded office. It may also give him extra leverage. The bad publicity that would surround any future intervention of his is another incentive to good behaviour, he argues.

Mr Bullock finds legal action too slow and costly a way of keeping up with what he calls "a continually moving target." Therefore, he works informally for the most part, sometimes almost literally running manipulators out of town. "I say when push comes to shove, I win every time."

The Superintendent is currently pushing the reluctant exchange to come up with a formula by April 1 for ending fixed commission rates and introducing negotiated rates—an attempt to get at some of the large profits being made on the VSE. He also wants much stiffer penalties for insider trading. But the thing that worries him most are the multiple directorships held by people like Murray Pezim. Such directorships allow promoters to pick and choose what to push: company A this month, company B next month.

He claims that his technique—the private threat of a formal notice or order—is enough to keep order most of the time. "I could not do that kind of thing in Toronto, but I am satisfied that you have to do that here because of the nature of the market. You have to move quickly.

"If that means I might appear to be in bed with them, so be it. I just don't believe in confrontation."

Back in his tenth-floor office in the Granville St. tower, Murray Pezim is already planning the next promotion. "Electronics is the next thing," he declares. "I hope to have 30 listings by June." Any names yet? "Sure, I'll call them things like—you know—ZAP, BANG, ZING." Silly question, really.

A report on the Hemlo gold development is in today's International Companies and Finance pages.

Regional Aid in Britain

# Why local communities should have more say

By Hubert Scholes

OUR PRESENT high unemployment, is it widely recognised, is not simply a consequence of the recession. We also face serious structural problems, especially in areas heavily dependent for jobs on declining industries and these will not disappear of their own accord when more general prosperity returns. We shall not succeed in getting unemployment down to tolerable levels without an effective regional policy, whatever action we may take to stimulate economic recovery generally. It is, therefore, encouraging that ministers are now considering an official review of current policies and ways in which they might be improved.

What are the main issues? First, the present assisted areas are badly out of line with the pattern of employment. Most notably the West Midlands, with unemployment averaging 15.6 per cent and faring persistent difficulties, is not an assisted area, though most of Scotland, for example (14.6 per cent unemployed), is.

This is only the most glaring anomaly. There are numerous black spots in relatively prosperous areas, including even the South East, with higher unemployment than in many parts of the assisted areas. Any attempt at rationalisation would be bound to meet strong resistance from those who would lose benefits they now enjoy.

Present regional aids are aimed mainly at encouraging investment in manufacturing. Such investment is certainly desirable, but it is questionable *whether* we *have* got the balance right.

Large sums of public money have been spent on subsidising capital-intensive projects employing few people, many of which might have gone ahead anyway. And where regions have attracted new industry, jobs have been restricted in the main to factories; company headquarters and associated services have remained in London and the South-East.

We need to recognise that many more people are now employed in services than in manufacturing and that this trend, also being experienced in the U.S. and other developed countries, will continue. Policies need to be adapted accordingly.

Small business, both service and manufacturing, has its part to play. It will not solve our employment problems on its own and certainly not in the short term, but an expansion here is important for our longer-term prosperity.

Yet traditional regional policy has done little to encourage small business and the new growth industries are establishing themselves, for the most part, outside the assisted areas.

Recent experience suggests that new small businesses are helped more by the provision of suitable premises and by practical advice and assistance tailored to their individual needs than by capital grants. This help can often best be given by the co-operative efforts of local councils and private business acting through local enterprise agencies, with the support of trade unions, voluntary organisations and central government agencies.

## Large sums have been spent on projects which may have gone ahead anyway

The options apparently canvassed in the official review—which would place a ceiling of perhaps £10m per project on regional development grants and switch the emphasis from capital to job-intensive projects including services—would go some way to meet these criticisms. However, do they go far enough? Is there not a case for more radical change?

Most regional aid now goes to help existing businesses in the assisted areas to modernise or expand. There is no compelling need for this assistance—as distinct from incentives to mobile projects—to be administered by central government. The available funds could be re-located to metropolitan and district councils on a formula related to the level of unemployment in their areas.

Central government would be left with the task of steering and assisting mobile projects—service as well as manufacturing—including inward investment by foreign owned companies. As there would be many fewer cases to handle, financial aid could all be given in the form of selective assistance. Regional development grants could be abolished altogether, with a significant saving in the number of civil servants.

Such a change, which need not increase public expenditure, would ease the task of concentrating assistance on the areas in most need, since the available funds would be allocated on a demonstrably fair basis, and could readily be adjusted from time to time to meet the changing pattern of employment.

It would provide greater flexibility and better scope for local initiative, as there would be no automatic grants and elected councils would be freer than central government officials to adapt to individual circumstances.

There would, of course, be problems. Practical difficulties would arise in allocating funds because unemployment statistics are not based on local government areas. But these should not be insoluble. There would have to be consultation with the European Commission since the Community's regional aid is related to the assisted areas. This would take time.

More important, many councils would not at first be equipped to exercise their new responsibilities and they might need to rely on the Department of Industry's regional offices for advice for a period, perhaps recruiting some of their staff when they had had a chance to see their work.

A reasonable period of transition would therefore be required, during which financial responsibility could be transferred in stages with a corresponding cut in regional development grants, pending the passage of legislation which would be needed to wind them up.

There would no doubt be complaints of incompetence or discrimination by some councils in the early stages, but overall these should be outweighed by the advantages flowing from closer involvement of local communities in working out their own destinies. If central government, despite many worthwhile achievements, has so far failed to crack the nut, is not the time ripe to give local democracy its chance?

*Hubert Scholes is a former senior civil servant in the Department of Industry and recently acted as specialist adviser to the House of Commons Select Committee on Employment.*

# Letters to the Editor

## National Savings' advertising—read all about it

*From the Director of Savings Department for National Savings*

Sir,—Mr David Cormie, deputy president of the Institute of Chartered Accountants, takes exception (January 27) to the advertising for National Savings Income Bonds. He states, quite correctly, that the whole tenor of the advertisements is that by buying Income Bonds, it will be possible to have a regular income and keep your capital intact. His objection is based on the fact that the advertisement does not warn investors that inflation effectively reduces the real value of the bond when it comes to repayment.

The only investments that are guaranteed to be proof against the effects of inflation are index-linked securities, and even some of these are subject to market vagaries which mean you cannot be sure what you would get if you needed repayment before redemption. Unless an investment is described as index-linked, there is no reason why an investor, especially after seven or eight years press coverage of granny bonds, should imagine that it is proof against inflation. A promise to repay capital intact seems unlikely to mislead the investing public into thinking that the real value or purchasing power of that capital is also preserved: and nowhere in the advertisement is such an offer made or implied.

The promise to maintain capital intact is a promise to repay pound for pound whenever you want it, subject to the provisions about notice. It is also a useful reminder that if you just leave money in an account where it is readily available for current spending, you can all too easily find, however sophisticated an investor you may be, that you have less capital left than you intended even after interest has been added. I do not think the advertisement could lead an investor to buy the bond in the belief that it would protect the real value of his investment as well as currently offering 11¼ per cent pa gross.

If any would-be purchasers wanted to reassure themselves about the simple and straightforward statements "You want to keep your capital intact" and "a regular income every month, without drawing on your capital," they could refer to the detailed terms contained in the Income Bond prospectus. We included the full prospectus in the advertisement Mr Cormie saw in the Financial Times; and it is also combined with the application form available at Post Offices.

Stuart Gilbert.
*Charles House,*
*375 Kensington High Street, W14*

*From Mr M. Gee*

Sir,—I would like to support Mr Cormie's call (January 27) for a more realistic approach to the content of advertising material relating to National Savings.

The least that is required is to demonstrate the effect of adjusting for the retail price index (RPI) on an investment on similar terms but made 10 years previous.

Malcolm J. Gee,
*100 Chalk Farm Road NW1.*

## Let them pay rates

*From Mrs T. Walker*

Sir,—I hope you will allow me to reply to "Country scene" by John Cherrington on January 29. Fifty years ago farms were "mixed arable" with intensive livestock rearing unheard of, except in the nauseating production of calves for veal and the force-feeding of certain table birds. The picture he painted of the poor hard-pressed farmers scratching a bare living from the soil is completely fallacious. The scene is now changed with intensive pig-fattening units confining large numbers of these animals in a small space, feeding them on high protein liquid diets, resulting in slurry whose stench is unbelievably obnoxious, even to farm hands accustomed to farm odours.

Today's farms are huge mechanised organisations run by agri-industrialists with fingers in many pies, subsidised by commuters and "geriatrics" many of whom lived in the countryside long before this all-embracing factory farming was thought of, and who pay for the agri-businessman's capital grants, drainage grants, hill subsidies and intervention support pricing. These businesses are also unrated.

Let them pay rates and be subjected to planning and other controls, such as that restricting the disposal of polluting waste into rivers and sewage effluent on to open fields like any other factory owner.

(Mrs) Tania Walker.
*Farthings, Bessels Way,*
*Blewbury, Oxon.*

## A confidence trick and seat belts

*From the vice-chairman*
*The Pedestrians Association*

Sir—I marvel at the confidence trick played on the public by Government—pressurised by the motoring lobby and assisted by the media—in steadily building up the case *that led* to *compulsory use of* seat belts.

This measure may well save the lives of a few hundred motorists a year, but all that publicity, going on for so long, has successfully drawn attention away from the far greater need to do something positive for reducing casualties (mainly from being hit by cars) among pedestrians, cyclists and motorcyclists, who together make up well over half the road-death total—3,315 out of 5,846 in 1981—and for whom seat belts are of no use whatsoever.

It will do nothing to reduce collisions, which is what is really needed (but is not wanted by the motoring interests, who would lose valuable business thereby). On this subject, the complacency of our leaders, who not only neglect to enforce the existing laws on traffic movement, but bring in new measures like the seat-belt law that do nothing to discourage careless driving (or careless walking and cycling, for that matter) is quite astonishing.

Frank West-Oram
*The Pedestrians' Association*
*1 Wandsworth Road, SW8*

## Allegation rebutted

*From the Editor*
*World in Action*

Sir—We do not know who *briefed* David *Fishlock*, your Science Editor whose report "Reply to reactor allegations due" was published on January 31.

He stated that Sir Walter Marshall, the chairman of the Central Electricity Generating Board, had been accused in a Granada TV documentary, World in Action, January 10, "of having a personal financial stake in U.S. efforts to sell a $6bn (£4bn) nuclear power station to China."

In fairness to Sir Walter and to Granada TV I have to point out that this assertion is quite untrue. There was no such suggestion in our programme.

R. A. Fitzwalter
*Granada TV*
*Manchester*

## *Growth*

*From Mr D. Broome*

Sir,—The commonly held myth that the coincidence of equity control and management is an incentive to growth is not supported by adequate research, while practical experience and cases provide many instances to the contrary.

Only in the very narrow sense of equity ownership does a high growth firm (HGF) have any chance of remaining in the hands of its originators. More commonly, the demands of cash flow demand dilution and this can be exacerbated by the departure of founders or even of errant wives and girlfriends. If management is strengthened as it needs to be, later arrivals have to be cut in on the equity. There is a lack of fundamental research into the conditions which determine the success or otherwise of such firms. Case studies cast doubt on many commonly held beliefs still current in Government and other establishment circles (though not among bank managers and accountants actually dealing with such firms).

As vast funds are being committed to "the small business sector" on largely unproven assumptions, there is a case, therefore, for a much harder look at these assumptions. The real situation is certainly more complex than is sometimes implicit in public policy, and the number of potential HGFs is certainly tiny in relation to the number of prospects being chased by the multitude of "venture capital" institutions. The biggest popular fallacy is to equate high growth with high technology, rather than with the market opportunities opened up by changes in technology.

We are short of larger firms which *train managers* and give them early business responsibility as distinct from executive and functional duties. GEC (like its U.S. namesake) is one example among the few honourable exceptions. We are also short of rich competent managers. The institutional problem is therefore to ensure that our limited stock of business talent is deployed to the best advantage.

Perhaps the finger should be pointed at venture capital institutions which have not yet found the formula which combines tough involvement with personal commitment by the institution.

Derek Broome.
*52, Wellingborough Road,*
*Mears Ashby, Northampton.*

FINANCIAL TIMES

Wednesday February 9 1983



EUROPEAN COURT DECIDES AGAINST 'DISGUISED TRADE BARRIERS'

# Britain's milk ban ruled illegal

BY LARRY KLINGER IN BRUSSELS AND RICHARD MOONEY IN LONDON

BRITAIN'S ban on long-life milk imports was ruled illegal by the European Court yesterday after it decided that health and hygiene requirements bad been imposed primarily to block imports.

This was the second time in seven months that the court bad ruled that the UK was using health rules as disguised trade barriers. In July it ordered Britain to change regulations which were blocking poultry imports.

But within hours of the announcement, Britain had imposed a formal ban on milk imports to "safeguard public health" while new arrangements were being agreed with the EEC and its member-states.

Britain's borders are likely to remain closed to continental European milk for some time while the Government studies the ruling, draws up new rules and enacts the necessary legislatioo. It took nearly four months after the court ruling before the turkey ban was lifted.

Mr Peter Walker, the British Agriculture Minister wbo was attending an EEC Council of Ministers meeting in Brussels, said Britain "will comply with the law." But, until he had examined the full court decision, be could not decide "how we'll comply." Meanwhile, he was "not going to otherwise threaten the British public with lower standards than already exist in Britain."

Mr Walker also emphatically declared that, in any event, there would be no serious danger posed by long-life milk imports to Britain's traditional door step deliveries of fresh milk. To think that continental long-life milk could become a real threat would be a "total absurdity." Anyone who had tasted "the bloody awful stuff" would know that this "just couldn't occur." Moreover, the British Government would see that Britain's door step delivery system "continues as effectively as possible."

France, which bas long sought to establish a British market for its sterilised milk, and which actively supported the European Commission's legal case against the UK, welcomed the court decision.

A spokesman for Mme Edith Cresson, the French Agriculture Minister, said France was pleased to see the removal of further trade barriers within the EEC. The decision was a victory for commonsense. France did not want to destroy Britain's door step delivery system, but the British consumer would now have a wider choice.

The court yesterday ruled that Britain was again in breach of European Community rules governing free trade in farm produce by requiring import licensas prior to shipments which had undergone ultra-heat treatment (UHT), and by requiring a second UHT treatment and repackaging on British soil before the imports could be distributed.

The court accepted the Commission's view that the rules were primarily designed to prevent imports by making them probibitively expensive. Britain could obtain its bealth objectives in other ways without restricting trade, the court said.

Britisb consumer organisations bave long argued that imports would be welcome competition. They say that the British "pinta," at around 21p ($0.33), is probably the highest in the EEC, compared with the equivalent of 17¼p in Denmark, 18½ in Franre, 15p in the Netherlands, 14½ in Belgium and 14p in Ireland.

They also maintain that ingrained British consumer preference would ensure there was no immediate upheaval in the door step delivery system. Around 11bn pints of milk were consumed annually in the UK, of which only about 1 per cent was UHT.

Mr Walker yesterday sbared this view. The British consumer bad long accepted the prire differential between doorstep milk and tower shop levels. Any imports would also still have to comply with Britain's high standards while facing added shipping and marketing costs.

On the other hand, British milk-producers bave consistently argued that imports could seriously burt doorstep deliveries as shops took a greater share of sales.

# Thorn appeals for EEC unity

By John Wyles in Strasbourg

M GASTON THORN, President of the European Commission, yesterday appealed to the European Parliament to mobilise behind five priorities which will be the "acid test" of the ability of member-governments' to develop the European Community.

In an bour-long speech of critical importance to the future of his Commission, M Thorn sought both to turn Parliament's thoughts away from the possibility of a vote to dismiss the Commission, and guarantee majority support for the payment of a £500m ($766m) rebate to the UK.

This began to materialise even before the Commission President spoke, and it now seems likely that the Parliament will pass the supplementary budget, which is important to the UK, tomorrow afternoon.

He was anxious to convince a restless Parliament that the Commission had a vision of community action to combat unemployment and revive industrial areas which would come up for decision by Governments in the coming year:

- for the improvement of the economic and social environment;
- the completion of the single and unified free market;
- the rebuilding nf Europe's industrial strength;
- the reinforcement of the Community's budget and financial instruments;
- the improvement of the international climate.

Detailed reactions from the Parliament will emerge from a debate today, but the early judgment of many MEP's yesterday was that M Thorn bad failed to outline adequate and specific policies for the Community's future developments.

If this disappointment proves widespread, then a vote of confideoce in the Commission may be tabled which would fail to secure majority support. This would not be intended to be a vote of dismissal but a possible first step in that directioo which orders the Commission to go away and come back with something better.

M Thorn's priorities consisted mainly of a pulling together of existing Commission proposals in the various sectors.

The rhetorical tone was one of immense dissabsfactioo with the Community status quo and a burning desire to join with the Parliament in changing it.

But he did reveal that the Commission would table next month an outline strategy for solid fuels as a building block towards an energy policy. This will be of special interest to the UK which is pushing for a sharp increase in EEC spending on British coal.

The President also put special stress on the damage inflicted on EEC decision-making by the so-called Luxembourg compromise requiring unanimous agreement whenever a government pleads that vital interests are at stake.

He served notice that the Commission would in future be pressing governmeots for a greater use of majority voting in line with the Treaty of Rome.

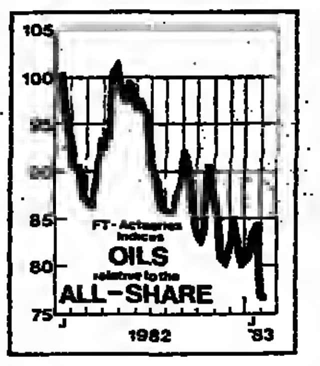
He also laid great stress on the heads of government summit in June as the occasion required to clear the obstacles to progress in the priority areas.

One of these will be the Commission's proposals for adding to the EEC's hudget revenues, which will be drawn from its discussion paper published on Monday.

THE LEX COLUMN

# Bespoke suitor for UDS

But for those awkward foreign exchange markets, the Government might by now be basking in the glory of a round of base rate cuts. The money supply figures for banking January show all the aggregates under firm control, while the underlying increase of £350m in sterling advances to the UK private sector by the London clearers suggested an increase of not much over £500m, seasonally adjusted for the wbole system.




## Burton/UDS

Even if Bassisbaw investments fails in its bid for UDS, Mr Gerald Ronson will have performed a valuable service to the shareholders of both Burton Group and UDS itself. The proposed acquisition of Richard Shops and John Collier for £78m will relieve UDS of a mountain of assets, on which it bas recently made heavy losses, while providing Burton at one stroke with a retailing portfolio which it would bave taken years to build organically.

After his conspicuous charity to the shareholders of ACC, Mr Ronson is unlikely to see the situation in quite this light. But, whatever his motives, the proposed deal leaves him in an almost impossible position. Burton is whisking away not only the most readily saleable assets of UDS, but also the trading operations with the greatest potential for recovery.

So Bassishaw may well be serious in its stated determination not to increase its offer, which would value the remainder of UDS at £113m. Even if UDS fails to hive off more properties for cash (e stratagem that could fall foul of the Inland Revenue's demerger regulations), it is hard to believe that the present offer will win wide acceptance.

UDS, after all, will be left with a very successful shoe retailing chain, a string of department stores which make a respectable return in a dull sector and several other businesses which, while not offering bigb earnings quality, do at least have prospects for growth. It is still wide open to criticism but the most obvious targets look set to disappear.

The Office of Fair Trading may wish to test its ideas on buying power against the UDS/Burton agreement but, prima facie, there is no clear case for investigation. Assuming the deal goes through, Burton will be buying total net assets of £116m which bave recently been losing between £4m and £5m pre-tax.

That would leave Burton with £38m of negative goodwill, more than enough to cover reorganisation costs. Merely applying Burton's accounting methods to the new shops would reduce the reported loss by almost £2m and the group seems fairly confident that it could make up the early earnings dilution in year two, in the event of full acceptance of the equity offer. If the cash option were preferred, Burton's balance sheet would still be comfortably financed, with net debt equivalent to around 15 per cent nf shareholders' funds.

## Opec

The peace of the graveyard bas fallen on the oil market. After last month's abortive Opec meeting liftings have fallen to negligible levels as the industry waits for prices to fall. Nigeria is reported to have sold no oil for five days last week. Destocking by industry is thought to be running at the level of 5m barrels a day. Yet so far the nerve of the Opec producers seems to be bolding steady.

Not for the first time an elaborate poker game extending over several sessions is being played out in the cartel. The Saudis, who were prepared to act as swing producer through last year, are keen to halt the process now that their production bas fallen to about 4m bd. As a sweetener, the new quotas agreed last month were notably generous to the aggressive over-sellers, Iran, Algeria and Libya. But the Saudis failed to obtain the adjustment to discounts that would have matched sales to quotas.

One reason for the failure was that few producers were willing to raise prices and lose sales for an initial period, especially in the atmosphere of distrust which has developed. So the likelihood is that the Saudis will bring the system into balance by the more risky nperation of moving down their $34 reference price to $30 or $32. This manoeuvre should be manageable without triggering a downward price spiral. Nigeria may again need temporary support if the North Sea price is cut.

Since the Saudi reference price bas been bigh and dry for many months, a cut will make little difference to the average oil price and certainly not compensate for the strength of the dollar. The Aramco disadvantage may disappear, however. This would put renewed pressure on the downstream European operations of BP and Shell.

Looking further ahead, at these low levels of production the Saudis may have little room for manoeuvre if pricing discipline again breaks down later this year.

## BAA

The recent rally in Wall Street aluminium shares is both looking towards an end to the recession and acknowledging the far-reaching shake-out in the industry. Further evidence nf the streamlining taking place emerged yesterday from British Alcan Aluminium, wbicb is to trim about 1,200 jobs from the combined 13,000 workforce inherited from the merger of Alcan's UK operations with British Aluminium.

BAA may now be capable of acbieving results close to break-even after a year which has thrown up losses of about £40m from the combined operation. The labour reductions and production cuts at Kitts Green and the strike-prone Falkirk plant could mean annual savings of at least £12m, while there will be considerable productivity gains from gearing-up at Rogerstone. At the same time, the 12 per cent weakening of the pound against the DM since mid-November will help in the aluminium sheet market, where the big West German producers call the European tune. BAA has even managed to raise prices by 10 to 12 per cent in the last two weeks.

Signs of a hardening of the market elsewhere in the world owes a lot to traders who have helped push up free market aluminium prices by 22 per cent since last October. But BAA now looks well geared for the recovery, with a UK market share hovering around 45 per cent, and a product range considerably broadened by the absorption of British Aluminium's extrusion activities.

# Shipping companies 'owe $35bn'

By Andrew Fisher, Shipping Correspondent, in London

WORLD shipping companies owe at least $35bn on their tanker and bulk carrier fleets at a time wben ship values bave come down sbarply, Drewry Shipping Consultants said.

The figure includes around $18bn on existing ships, the rest being for ships still on order, the London firm said in a major review nf shipping finance and investment.

The figures do not include further debts incurred by shipowners because of rescheduling of borrowings or working capital loans during the lengthy shipping crisis.

Nor do they cover money lent to finance other types of ships such as container, roll-on/roll-off, gas-carrying or offshore vessels.

Drewry estimated that the world tanker fleet above 20,000 deadweight tons (dwt) represented a total investment of some $47bn. But on the basis of mid-1982 second-hand prices – which bave since fallen up to 20 per cent – the fleet was valued at only $15bn.

Investment in the world bulk carrier fleet totalled $33bn, but market value was only an estimated $22bn at mid-1982. Yet replacing these fleets at current building prices would cost $111bn for the tankers and $78bn for the hulk carriers.

Taking only the present fleet, Drewry reckoned that nearly $8bn in loans on ships already built was outstanding on the tanker fleet.

The equivalent figure for bulk carriers was just under $10bn. To this had to be added the amounts owing on vessels still under construction.

Drewry was not over – optimistic about prospects for recovery in the shipping markets. On the tanker side, it expected an upturn earliest in the 40,000 to 90,000 dwt with surpluses on big vessels lasting into the late 1980s.

*Shipping Finance* and *Investment. Published by Drewry Shipping Consultants, 34 Brook St, Mayfair, London W1. Price £120 (overseas $295).*

# Davy McKee in $337m deal for Philippines arc furnace

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR, IN LONDON

DAVY McKEE, part of Davy Corporation, the major UK engineering contractor, has received a letter of intent for the construction of an electric arc furnace steel plant in the Philippines. This could lead to a contract worth £220m ($337m).

A team from Davy and Lazard Brothers, the London merchant banker wbicb is arranging the finance, is in the Philippines, negotiating a contract.

The negotiations are evidently at a very delicate stage and yesterday Davy said: "We have absolutely no statement to make." But it was learned that the British content of the plant which may be supplied to the Philippines would be worth about £129m.

The balance of £91m would cover local project costs and equipment bought in the Philippines.

Lazards is arranging finance of £110m, covering 85 per cent of the value of the Britisb content. This is the normal limit fnr export insurance cover by the Export Credits Guarantee Department.

Part of this package is believed to be a 10-year loan for the Philippines of $100m (£65m) at an interest rate of ¾ to 1 per cent above the London Interbank Offered Rate.

Davy's bid for the contract bas been bolstered by the UK Government's willingness to offer the Philippines over £20m from the Aid-Trade Provision of the overseas aid budget. This provision is used to enhance the attraction of financial packages put together in support of Britisb project contract bids.

The steel plant will be part of an integrated iron and steel complex to be built at Iligan on the southero island of Mindanan.

Marubeni Corporation of Japan said on Monday that it is heading a consortium which has received a letter of intent for the £243m iron mills.

Other groups understood to have been involved in the bidding for one or other part of the complex include Lurgi of West Germany, in cooperation with Voest Alpine of Anstria, and Thyssen of West Germany in partnership with Allis Chalmers of the U.S.

To win the contract eventually would he a major boost to Davy which recently annonnced a 53 per cent fall in pre-tax profits to £3.08m in the six months to last September.

# IBH offshoot bids for Korf machinery arm

BY JAMES BUCHAN IN BONN

WIBAU, a subsidiary of the expanding West German IBH Holding group, is bidding to take over the construction machinery operations of Korf Stahl, wbich sought court protection from its creditors last month.

Herr Roland Spicka, Wibau's chief executive, said yesterday he was confident his concern would quickly complete the takeover of Mohr and Federhaff (M & F) and two of its subsidiaries, which followed Korf Stahl into court composition proceedings on January 14.

He said talks were proceeding well with Korf, the court-appointed administrator of M & F's operations and the local government of the state of the Rhineland-Palatinate, whicb is being asked to provide guarantee funds.

Herr Spicka said the takeover of the M & F group, wbich employs some 500 people at three major works and turned over DM 138m ($55.5m) in 1981, was a logical step since its stone-breaking and grading equipment would plug a bole in Wibau's own programme.

Wibau, which increased its sales to DM 278m last year from DM 235m in 1981, is concentrated further down the line in products such as asphalt mixers.

Herr Spicka would reveal no financial details about the proposed deal.

Wibau, about 45 per cent of which is owned by IBH Holding, is following a pattern established in the mid-1970s by Herr Horst Esch's group, now the largest seller of construction machinery in Europe.

Starting in 1975, IBH Holding has acquired a string of construction equipment companies that were either in financial difficulties or were poor relations of bigger groups.

In the autumn of 1982 Wibau took over the construction equipment division of Babcock International, the UK engineering group, which is likely to add another DM 200m in sales.

Herr Spicka said the acquisition of the M & F group would extend Wibau's product range from "stone-breaking to construction site."

# Banks told to continue credit

Continued from Page 1

ing used to raise short-term inter-bank money which was being channelled into financing balance of payments deficits of debtor countries.

A number of banks have tried to reduce their short-term credit lines to minimise their exposure in this area.

This bas given central bankers a major problem since no one but the individual banks concerned, knows the size of the short term credit lines at any one stage.

To belp the banks appreciate the situation "we felt it rigbt to let the market know that we regarded maintenance of exposure to these branches as very desirable given the needs of the moment."

Lord Richardson said "parallel action was taken by our American counterparts in New York. The final decision on bow to respond to the situation has been one for the bankers themselves, our part having been to ensure that they were aware of the broader considerations. Their response has been positive."

Lord Richardson pointed out that the recent central bank pressure on commercial hanks to participate in debt reschedulings and the granting of new money in some cases stould not be considered normal practice.

"In looking ahead to more normal conditions, it is, alas, I think plain that neither banks nor central banks should come to consider it part of the ordinary working of the market for the authorities to play as direct a role as bas recently been necessary in the searcb for solutions to current debt difficulties."

# Goodyear pays $825m for Celeron

Continued from Page 1

into the market for truck radial tyres.

The group said yesterday that despite a weak econnmy its earnings in the U.S. during 1982 had risen by 38 per cent to a record $233.6m thanks in part to an improving sbare of most segments of the tyre market. Sales in the U.S. were marginally lower at $5.24hn.

Outside the U.S. Goodyear's sales fell by 11 per cent to $3.45hn in 1982 and net foreign income fell by nearly two-thirds to $31.2m. The figures were depressed by the worldwide recession and adverse currency movements.

Overall net income for the year was marginally bigher at $264.8m, or $3.59 a share. Sales fell from $9.2hn to $8.7hn.

Following a period of heavy spending nn plant modernisation, Goodyear bas recently been building up resources for other activities. Debt fell from 40.6 per cent to 33.1 per cent of capital employed in 1982, the lowest proportion fnr 17 years, and stockholders's equity at the year-end amounted to nearly $2.5bn.

Under the merger agreement, which is subject to the approval of both sets of sbareholders, Goodyear will exchange 1.15 of its shares for each share in Celeron. That would be worth around $38.5 a share at recent prices: Celeron closed on Monday at $29.5, up $2¾.

# BA may buy U.S. airliners

Continued from Page 1

New UK aircraft noise legislation, which will come into force by January 1, 1986, means the airline will have to have replaced its entire existing fleet of 24 Trident jets by then. As a result British Airways has to start considering what to buy now.

Mr Roy Watts, British Airways' deputy chairman, who is responsible for equipment planning, said yesterday that for the immediate future the projected European Airbus A-320 did not figure in the airline's studies.

It would not be available in time to meet the airline's needs for the mid-1980s, but BA might consider that aircraft in the later 1980s.

"We bave asked both Boeing and McDonnell Douglas to submit detailed financial packages for the types of aircraft they can offer – the 737-300s or the DC 9 Super 82s or even perbaps some more of the existing version of the 737 the series 200. We have time in hand, and we will be making up our minds over the next few months."

The new jets would be needed despite the progressive introductioo from today of the new larger Boeing 757 twin-engined jet airliners, Mr Watts said.

## World Weather

| | | °C | °F |
|---|---|---|---|
| Ajaccio | C | 5 | 41 |
| Akrotiri | S | 16 | 61 |
| Algiers | S | 13 | 55 |
| Amsterdam | C | 1 | 34 |
| Athens | S | 16 | 61 |
| Bahrain | S | 18 | 64 |
| Bangkok | S | 31 | 88 |
| Barcelona | F | 9 | 48 |
| Beirut | S | 18 | 61 |
| Belgrade | C | 7 | 45 |
| Berlin | Sn | -3 | 25 |
| Biarritz | Fg | 5 | 41 |
| Blackpool | C | 3 | 37 |
| Bordeaux | C | 1 | 34 |
| Brussels | C | 0 | 32 |
| Budapest | C | 1 | 34 |
| B. Aires | S | 33 | 91 |
| Cairo | S | 19 | 66 |
| Cape Town | S | 24 | 75 |
| Caracas | S | 29 | 84 |
| Casablanca | C | 14 | 57 |
| Copenhagen | C | -2 | 28 |
| Corfu | S | 16 | 61 |
| Dublin | C | 2 | 36 |
| Dubrovnik | C | 12 | 54 |
| Faro | C | 11 | 52 |
| Florence | R | 2 | 36 |
| Frankfurt | C | 0 | 32 |
| Funchal | C | 15 | 59 |
| Geneva | C | 1 | 34 |
| Gibraltar | S | 13 | 55 |
| Guernsey | Sl | 2 | 36 |
| Helsinki | S | -12 | 10 |
| H. Kong | R | 14 | 57 |
| Innsbruck | S | -1 | 30 |
| Inverness | S | 3 | 37 |
| Istanbul | S | 14 | 57 |
| Jersey | C | 3 | 37 |
| Jo'burg | — | — | — |
| Las Palmas | S | 19 | 66 |
| Lima | S | 29 | 84 |
| Lisbon | C | 6 | 43 |
| Locarno | C | 4 | 39 |
| London | S | 3 | 37 |
| Los Angeles | S | 15 | 59 |
| Luxembourg | C | -1 | 30 |
| Madrid | S | 5 | 41 |
| Majorca | S | 11 | 52 |
| Malaga | S | 13 | 55 |
| Malta | — | — | — |
| Manila | S | 31 | 88 |
| Miami | S | 24 | 75 |
| Milan | Sn | 1 | 34 |
| Moscow | C | -10 | 14 |
| Munich | S | 0 | 32 |
| Nairobi | S | 27 | 81 |
| Naples | S | 11 | 52 |
| New Delhi | C | 20 | 68 |
| New York | R | 1 | 34 |
| Nice | F | 8 | 46 |
| Oporto | C | 7 | 45 |
| Oslo | F | -5 | 23 |
| Paris | C | 2 | 36 |
| Prague | Sn | -1 | 30 |
| Reykjavik | S | 5 | 41 |
| Rio de J'o | C | 33 | 91 |
| Rome | C | 13 | 55 |
| Salzburg | C | 1 | 34 |
| Seoul | Sn | 1 | 34 |
| Singapore | S | 33 | 91 |
| Stockholm | Sn | -7 | 19 |
| Strasbourg | C | 3 | 37 |
| Sydney | C | 29 | 84 |
| Taipei | C | 15 | 59 |
| Tangier | C | 13 | 55 |
| Tehran | — | — | — |
| Tel Aviv | S | 17 | 63 |
| Tenerife | F | 20 | 68 |
| Tokyo | F | 10 | 50 |
| Toronto | C | -3 | 27 |
| Tunis | C | 11 | 52 |
| Valencia | C | 9 | 48 |
| Venice | C | 4 | 39 |
| Vienna | Sn | 0 | 32 |
| Warsaw | Fg | -1 | 30 |
| Zurich | Fg | -1 | 30 |

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

# Alcan to axe 1,200 jobs

Continued from Page 1

production will be based at Rogerstone, Glasgow and Silvertown, East London, following the Kitts Green cuts.

Extrusinn production will go from Rogerstone to a British Alcan company, High Duty Alloy Extrusions, in Cumbria and Cheshire.

The Britisb Aluminium special alumina plant at Burntisland, Scotland had sound prospects and will be part of a world drive to improve Alcan's share of supplies to the chemical industry, Mr Russell said.

He told a press conference the company could survive in Britain and become competitive again.

Retaining the Falkirk finishing mill means aluminium produced at smelters in the Highlands will be shipped to Wales and returned to Scotland for finishing.

The Scottish Office wanted the entire Falkirk mill retained but Mr Russell said the equipment was outdated and could not be justified in terms of cost. Its production, at about 50,000 tonnes, was a fraction of that at other plants.

British Alcan and Aluminium hopes for Scottish Office assistance in renewing finishing equipment at Falkirk. A £200m investment would have been required to renew the entire mill.



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SECTION II – INTERNATIONAL COMPANIES
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# Du Pont income decline continues in last quarter

BY RICHARD LAMBERT IN NEW YORK

THE RATE of profit decline at Du Pont continued to steepen in the closing months of 1982. The giant chemical group, which acquired the Conoco energy business in the summer of 1981, said yesterday that its net income in the fourth quarter had fallen by more than 38 per cent to $202m in the latest period.

On a similar basis, profit in the third quarter of 1982 had fallen 29 per cent to $195m. For the year as a whole, net income emerged at $894m, or $3.75 a share.

The company said earnings per share for the year were about $1.20 a share higher than they would have been without the acquisition of Conoco. In 1981 the pro forma combined net income of Du Pont and Conoco came to $1.1bn, or $4.88 per share.

Earnings from the traditional chemical, fibre and plastics businesses had fallen sharply in 1982, Du Pont said. But biomedical products had performed well, and the petroleum and coal segments had achieved higher profits.

In the final quarter of the year, however, earninga from the petroleum refining, marketing and transportation activities were lower, as were those from the coal industry.

Overall earnings in the final quarter were reduced by an after-tax charge of $50m, or 21 cents a share, from the cost of plant shut downs and voluntary redundancies. This was partly offset by a credit of $24m, or 10 cents a share, from reductions in Lifo inventories.

Sales in the final quarter wece unchanged at $8.4bn. For the year as a whole, they were fractionally higher than 1981's combined figure, at $33.3bn.

Looking ahead to 1983, the company said it expected that a moderate economic recovery would get under way in the second quarter. But lower interest rates were a pcerequisite for sustained economic growth.

● American Cyanamid, a major producer of fertilisers, pesticides and other agricultural products, specialty chemicals and medical products, has reported net profits of $132.1m, or $2.74 a share, for the year ended December, against $197.1m, or $4.11, a year earlier. Sales were $3.45bn against $3.64bn.

The fourth quarter contributed $38.9m on revenues of $845.9m, compared with $48.4m on $927.1m a year earlier.

The company said high interest rates, a farm depression, and the strong dollar hit 1982 profits. The results included a pre-tax foreign exchange loss of $72m in 1982

# GM sees start of economic recovery

By Richard Lambert in New York

GENERAL MOTORS, the world's largest motor manufacturer, believes the economic recovery process has begun.

As it announced that net income had jumped from $333m to $963m in 1982, GM said: "Even a conservative view suggests 1983 should see an emergence from the prolonged recession."

Gm's profit increase in 1982, however, stems largely from gains in finance activities and from non-operating items.

At the same time, the figures do confirm that the group has substantially reduced its break-even levels during the recession at a time when it has also been investing heavily in new facilities.

Sales for the year fell from $62.7bn to just over $60bn and worldwide factory sales declined by 8 per cent to 6.2m units. In 1980, when GM suffered net losses of $763m the group's worldwide sales amounted to 7.1m units.

GM says that it had "achieved significantly better quality in our products through improvements in the manufacturing of existing products and in the design of new products." These gains, coupled with new labour agreements, had more than offset discouraging economic conditions, it added.

But the company warned that its 1982 earnings amounted to only 1.6 per cent of sales which was "far below the lovel of capital generation oeeded to operate the business successfully over the long term."

GM has cut its worldwide workforce from an average of 741,000 in 1981 to 657,000 in 1982, and the number was down to 626,000 by the final quarter. It has also sharply reduced its inventories, and pared back capital spending from $9.7bn to $6.2bn.

A major part of the earnings increase has come from the company's equity interest in the earnings of its non-consolidated subsidiaries, mainly General Motors Acceptance Corporation and Motors Insurance Corporation.

# Kaiser considers change as steel losses continue

BY PAUL TAYLOR IN NEW YORK

KAISER STEEL, the ninth largest U.S. steelmaker, reports a small net profit for the fourth quarter und full year after special tax and other credits. The company says, however, that its steel operatinns contioued to incur a substantial loss, and adds that it is still "considering alternatives to continuing cur steel business in its present form."

In the fourth quarter, Kaiser reported net earnings of $9.78m, or $1.33 a share, including an income tax credit of $47m, compared with a net loss of $515.23m, or $72.24, in the 1981 quarter after a $540m charge related to the closure of unprofitable steel-finishing and fabricating facilities. Sales dropped by 42 per cent to $115.3m from $199.3m in the 1981 period after restatement.

At the operating level, Kaiser reported a loss of $37.2m from continuing operations, compared with a loss of $1.23m in the 1981 period.

The company said its steel manufacturing division bad a pre-tax loss of $40.125m in the fourth quarter compared with a loss of $14.3m in the 1981 period and $44.1m in the third quarter. Shipments dropped from 288,000 tons in the 1981 quarter to 153,000 tons. Production fell from 413,000 tons to 53,000 tons.

For the year, Kaiser reported net earnings of $2.88m, or 29 cents a share, including a $21m gain from the sale of Kaiser Cement and a $48m tax credit, compared with a loss of $438.7m, or $61.70 in 1981 after the $540m special provision, on sales which fell by 27 per cent to $734.9m.

In 1982, the loss from continuing operations was $66.4m compared with a profit of $87.3m in the previous year. The steel manufacturing group reported a $125.4m loss before tax compared with a $10.2m profit in 1981. Steel production fell from 2m tons to 873,000 tons and shipments from 1.485m tons to 943,000 tons.

# Surge in exports lifts BMW sales

By Stewart Fleming in Frankfurt

BMW (Bayerische Motoren Werke), the West German manufactucer of higb performance cars and motorcycles, boosted its sales revenues by 21.7 per cent to DM 11.6bn ($4.8m) in 1982. The company is expecting further output and sales increases this year, even though it is not anticipating a strengthening of demand in the West German market.

Behind the company's success in riding out the slump in the world automobile market is a 31.3 per cent surge in car export sales. BMW, along with other West German car exporters, has profited in its overseas marketing operations from the relative weakness of the D-mark, particularly at the begioning of last year.

Foreign sales jumped by 31.3 per cent to DM 5.7m. The number of units sold abroad rose by 17.3 per cent to 210,547 units.

In spite of a 5 per cent fall in domestic market unit sales to 130,798 units, the value of sales increased 5.3 per cent to DM 3.65m, reflecting the trend towards the purchase of larger cars.

Commenting on current trends in the company's car business Herr Eberhard von Kuenbeim, cbief executive, said the sales of the new Series 3 model bave surpassed expectations.

Motorcycle operations output fell by 8.3 per cent to 30,398 units, BMW said. The company is feeling competitive pressure from Japanese manufacturers who, it says, are pursuing ruinous prices. But BMW is planning to launch a new generation of motorcycles this summer.

BMW says profitability will be better in 1982 than in 1981. According to Herr von Kuenheim, last year was "one of the best to a succession of good years."

# Strong overseas performance helps Valeo return to profit

BY DAVID MARSH IN PARIS

VALEO, the leading French motor components group, returned to net profit of around FFr 60m ($8.57m) last year after a loss of FFr 220m io 1981, M André Boisson, the cbairman, said in a letter to sbareholders.

The return into the black, acbieved after a major restructuring programme and cuts in its workforce, was due above all to a good performance in the group's foreign activities, he said.

Consolidated turnover approached FFr 8bn from FFr 6.9bn in 1981. The company said that recovery in the second half of 1982 was, however, hampered by extra social charges on companies in France last year and the price freeze introduced in June.

M Boisson said the overall turnround last year was above all due to the results in the first half. The ending of the price freeze in November still did not allow the company full compensatioo for its cost increases above the inflation rate last year.

Sales of components direct to car companies last year rose by 11 per cent in volume, well above the rise of 4 per cent in European car production. Valeo managed to reinforce its position in the commercial vehicle sector despite continued recession in this area.

However, this gain was wiped out by an almost equivalent decline in sales of spare parts, particularly affected by the ecoonmic slowdown. Non-vehicle business continued to suffer, with volume sales of industrial products down 12 per cent and sales of components for the building sector down 5 per cent.

Overall, activity in France fell by 4 per cent in volume. But Valeo's subsidiaries in Italy improved sales by 16 per cent, while the rise in Spain was 6 per cent. Activity in the U.S. also rose.

M Boisson added that the company's electrical equipment subsidiary SEV – a source of losses to previous years – joined in the general improvement in 1982 and turned in a positive result.

# Earnings of Spain's leading banks fall below inflation rate

BY DAVID WHITE IN MADRID

SPAIN'S TOP banks have produced over the last few weeks remarkably early annual results which tell similar stories. Of the big seven private commercial banks, which between them account for more than half of domestic deposits and credits, six have already announced at least partial 1982 profits.

Although all have ceported further profit increases, the trend in real terms has turned around. None matched the year's official inflation rate of 14 per cent. In 1981 all seven banks sbowed earnings growth of betweeo two and three times this rate.

Only Banco Espanol de Credito (Banesto), the biggest both in terms of its deposits and net profits, which in 1981 rose 42 per cent, has yet to reveal its 1982 earnings figures.

The family-dominated Banco de Santander surprised the financial community by coming out first with its results, several months earlier than in previous years. Sr Emilio Botin, chairman, set the tone: "The year was a tough one."

All the banks, whicb bave traditionally enjoyed exceptionally high margins by British or American standards, have seen them oarrowed. Althougb the big seven have been apparently well fortified against the crisis which for the past five years bas claimed a series of smaller victims, they are faced with baving to strike a difficult equilibrium between dividend expectations and the funds they need to set aside for bad and doubtful debts.

Profits are now further threateoed by the authorities' decision, at the time of the peseta devaluation in December, to raise banks' compulsory deposit requirements at the Bank of Spain by a full percentage point. These now stand at 6.75 per cent, raising further the considerable sums the banks are required to place at low or zero income.

Banco Central, number two in terms of deposits, whicb has just introduced its sbares on the Paris Bourse, disclosed after-tax earnings for last year of Pta 12.2bn ($94m), an increase of rather less than 12 per cent after a 30 per cent rise the year before.

Banco Hispano-Americano, whicb through its takeover of the industrial banking group Banco Urquijo is about to boist itself into a position rivalling the big two, produced almost identical figures for profit growth – 11.6 per cent after 30 per cent in 1981, with the net earnings figure reaching Pta 9.9bn.

The profit came after a 39 per cent increase in the total of risk provisions to Pta 14.9bn.

Banco de Bilbao, next on the list, showed an increase of just over 10 per cent io 1982 net earnings to Pta 8.83bn, compared with 37 per cent the previous year. Provisions at the bank were raised by 32 per cent to Pta 19.9bn.

Banco de Vizcaya's after-tax results were 11.5 per cent op at Pta 7.9bn, compared with a giant 42 per cent rise in 1981 and a 39 per cent rise the year before that. The bank, which bas announced plans to put Pta 10bn this year into a new industrial promotion unit, boosted its set-asides by 25 per cent to Pta 17.9bn.

Santander's after-tax earnings growth, the lowest of the six published to date, was less than 1 per cent at Pta 8.98bn, after a 29 per cent rise in 1981. According to Sr Botin, the bank decided to add Pta 1bn to its provisions.

Finally, Banco Popular Espanol registered a 9.3 per cent increase to after-tax profit to Pta 5.8bn, after what in 1981 might have been considered a relatively modest rise of 28 per cent. Provisions were raised by only 6 per ceot to Pta 3.7bn, leaving room for a 14.8 per cent increase io dividend.

Despite the squeeze on margins, all the banks feel obliged at least to maintain their dividends – a consolation to shareholders after a year in which stock market values bave shrunk.

# Break-even forecast at Industrie Pirelli

BY JAMES BUXTON IN ROME

INDUSTRIE PIRELLI, the Italian operating subsidiary of the Pirelli cables and tyres group, bas suffered a setback in its long road back to profitability. It is expected to break even in the year ended December 1982, after making profits of L8.9bn ($6.2m) in 1981.

Trading conditions in 1982 wece difficult, and turnover rose by 12 per cent, slower than the Italian inflation rate. In 1981, the operating company's sales rose by 17.2 per cent to L1,523bn.

Industrie Pirelli made a profit – albeit very small – in 1980 for the first time in 10 years, after a major financial and management restructuring of the company. Last year, it suffered from a fall in the market for large tyres, from stagnant sales of diversified products and an uncertain cable market.

Pirelli, SpA, the Milan-based holding company of the $4bn-a-year turnover group, is nevertheless expected to make a profit during the current financial year (ending April 30) baving earned L25.8bn in the previous financial year.

Despite the disappointing performance of its Italian subsidiary, Pirelli SpA is benefiting slightly from last year's reorganistion of the bolding company structure.

As a result, Pirelli SpA now receives dividends from subsidiaries in Brazil and from the Pirelli group's cable operation in Britain, both of which bave done better in the full year 1982.

But in West Germany, where the group is mainly involved in tyres, there was a 13 per cent sales growth last year, a slower growth than in the previous year.

Pirelli SpA's net indebtedness rose in the past six months from less than L10bn up to July 1982 to just over L100bn mainly because of the issue of L80bn bonds in the period.

# Pitney reports 4% growth

By Paul Taylor in New York

PITNEY BOWES, the U.S. office products group, yesterday reported strong net income growth to both the fourth quarter and full year. The company appears to bave halted a decline in operating profits.

Net income in the fourth quarter increased 19 per cent to $31.9m, or $1.65 a share, compared with $26.8m, or $1.40, in the 1981 quarter on flat revenues of $398.8m in the 1982 quarter and $397.0m in the 1981 period. Operating profits increased 4 per cent to $52.9m compared with $51.04m.

The strong final quarter belped the company post a 20 per cent increase in full-year net income to $83.1m, or $4.32 a share, compared with $69.5m, or $3.78, in 1981 on revenues which increased 3 per cent from $1.41bn in 1981. Operating profits, down 7 per cent at the nine-month stage, fell 3 per cent in the full year to $147.06m from 151.77m in 1981, with an 18 per cent improvement in operating profits from European operations partly offsetting a decline in North America.

The improvement in net income came despite the impact of the Mexican peso devaluation and other foreign currency changes, which the company said reduced fourth-quarter earnings by $568,000 and full-year earnings by $3m, or 16 cents a shace, and both sales and total revenue in the full year by about 2 per cent.

Significantly higher revenues from rentals and service offset lower sales revenues in both the quarter and the year. Sales revenues for the quarter fell 3.8 per cent to $270.8m, rentals increased 13 per cent to $75.2m and service revenue rose 7.9 per cent to $52.7m. Sales fell for the full year by 1.7 per cent to $956.2m.

# Heineken plans rescue of brewery in Ireland

BY WALTER ELLIS IN AMSTERDAM

J. J. MURPHY'S of Cork, traditional rivals in Ireland of J. Arthur Guiness, but now fallen into the hands of the receivers, appears set for a takeover by Heineken, the Dutch brewing group.

Murphy's which has been brewing Heineken lager under licence since 1978, has made substantial losses in recent years, and its famous stout looked as though it was about to pass from active trading into the Irish folk memory.

Heineken said yesterday that its offer to purchase the assets of Murphy's was conditional on the workers agreeing to comprehensive changes in their working practises and acceptance by unfunded pensioners of new pension arrangements worked out by the receivers.

All 200 of the current workforce would be offered employment by Heineken under the proposed deal, which would also involve a major programme of investment aimed at restoring the rompany's viability, and expanding its share of the Irish drinks market.

Heineken would look into all marketing possibilities, including the increased sale of Murphy's stout outside Ireland, and would continue the existing wine and spirits trading operations.

It is clear, however, that a main priority would be to consolidate the production of lager, which the Dutch company believes has considerable growth potential in Ireland.

The demise of Murpby's stout would have been widely mourned in Ireland.

# SEC to study takeover rules

By Our New York Staff

THE U.S. Securities and Exchange Commission (SEC) is forming an advisory panel to advise the regulatory agency on possible changes in U.S. laws on corporate tenders.

The 15-member securities industry panel will report to the SEC this summer on whether the agency should recommend to Congress changes in the current rules.

This was disclosed yesterday by Mr John Sbad, chairman of the SEC. He declined to discuss the specific issues to be taken up by the advisory paoel, except to say that proposals designed both to tighten as well as ease the rules would be considered.

# First loss for PepsiCo

BY OUR NEW YORK STAFF

PEPSICO, the world's second largest soft-drinks manufacturer, reported its first quarterly loss after a $79.4m extraordinary charge that followed the discovery late last year of accounting irregularities at a number of its overseas bottling plants.

The company had a $40.7m loss in the 1982 fourth quarter after the special charge compared with net profits of $70.2m, or 76 cents a share, in 1981.

The charge had been expected after the discovery of $92m in "phantom profits" at bottling plants in Mexico and the Philippines from 1978 onwards. Pepsi Co subsequently dismissed four senior managers and launched an investigation.

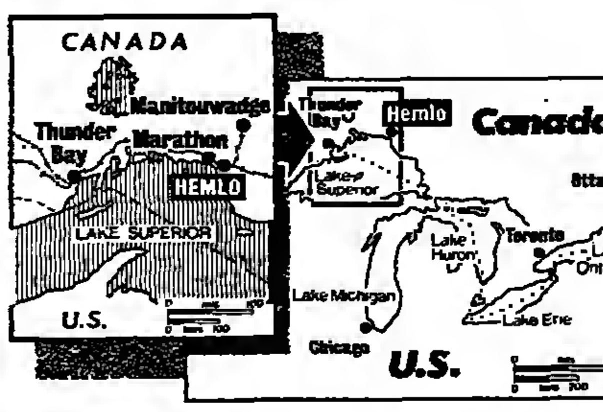
For the year, Pepsi Co reported net income of $224.3m, or $2.40 a share, compared with $297.5m, or $3.22, in 1981, after restating earnings to reflect the accounting irregularity.

Revenues for the year increased to $7.5bn from $7bn.

FRENZIED MARKET DEALINGS GREET CANADA'S LATEST DISCOVERY

# Gold fever hits the Hemlo camp

BY KENNETH MARSTON, MINING EDITOR




CANADA'S biggest gold rush for 50 years is in full swing at the Hemlo district, 322 km east of Thunder Bay along the north shore of Lake Superior in the north-western Ontario wilderness.

Little wonder, with one new gold mine already taking shape and another two in prospect, that more than 65 companies bave pegged ground in the main Hemlo area. Others are rushing to stake what they can – moce than 15,000 claims so far – and some are pegging many kilometres away where the ground was, is, and probably will remain, nothing more than moose pastuce.

Heavy odds against exploranoo success have never been allowed to stand in the way of gold fever in stock markets. Frenzied dealings in Vancouver and the moce sedate Toronto markel bave been spurred on by the success story of the small, and previously little known, Golden Sceptre Resources and Goliath Gold Mines in the Hughes-Lang group.

**For another 30 years the area attracted little interest. Then the gold price woke abruptly from a long slumber.**

The Hemlo story began back in the summer of 1945 with a discovery of gold on the Ollman-Williams claims in the immediate vicinity of Moose Lake. Subsequent drilling by Lake Superior Mining and Teck Exploration provided encouraging, but not particularl exciting, gold values of around 0.21 ounces (6.5 grammes) per ton.

A clue to the area's real importance, which was not appreciated until many years later, was the early indication of large-scale mineralisation with regularity of thickness and grade. Apart from their thickness the deposits are, in this respect, more like the reefs on South Africa's rand than the structurally complex deposits of the Canadian Shield.

But, apart from some sporadic exploration activity, the area attracted little interest for the next 30 years until the gold price suddenly woke from a long slumber.

Then, in 1981, International Corona Resources (now partnered with Teck Corporation) discovered two gold zones, one of which held a potential 1.3m tons of mineralisation grading 0.31 oz gold per ton.

The gold-bearing mineralisation was not contained in a narrow vein, but in a thickness averaging 20 feet.

In August 1982, the major Little Long Lac group's exploration arm, Long Lac Minerals Exploration (now part of Long Lac Minerals) reported a possible drill-indicated 1.8m tons to a depth of 490 feet with an average gold trade of about 0.18 oz a ton over a width of 78 feet.

The drills had not penetrated the full depth of the mineralised zone, it was stated.

Soon after came another bidwidth discovery, this time on the adjacent Molson Lake ground of the Golden Sceptre Goliath partnership. The rush was on.

Offers came flowing io befoce Golden Sceptre and Goliath could complete a capital-raising of some C$40m ($32.6m) under the auspices of Phoenix Securities London and Bermuda.

Five Major Canadian mining houses came up with financing deals. But Noranda Mines won with a farm-in arrangement whereby it can earn a 50 per cent stake in the Molson Lake property by meetiog the costs of bringing it to production and carrying out the work involved.

The miniog house also subscribed for sbares in the two companies and, if it exercised all options, will end up with a stake in them of just over 32 per cent.

Another deal is to be struck between Noranda and the partnership of International Corona and Teck. Noranda is to pay for a shaft at their area and possibly a mill, at a cost of some C$100m. In ceturn, Noranda will have the rigbts to 50 per cent of profits from minerals mined in the portion of the property where the shaft is to be sunk.

Mr Murray Pezim, International Corona's chairman and promoter, is also the promoter of many other small companies seeking a gold fortune in the area. He reckons that the Hemlo camp is shaping up to become Canada's biggest gold discovery.

By all events, Hemlo is special. Apart from the size and simplicity of the outlined deposits, the area is crossed by the Trans Canada Highway and by Canadian Pacific's main railway line.

A hydro-electric power line and abundant water supply from lakes and creeks is also present in the immediate vicinity. There is on pressing need to establish a mining township because the paper mill town of Marathon is only about 322 kilometres to the west and the mining town of Manitouwadge lies to the north.

The answer to why Hemlo mineralisation remained unrecognised for so long may be because of the fineness of the gold in the deposits and the lack of any quartz vein association which was a feature looked for by the early prospectors. In layman's terms, it is just different from the more usual type of Canadian gold deposit.

Discovery of the new environment may lead to further finds.

Despite winter conditions it is reckoned that 30 drills are now at work in the Hemlo area and there will be more if anybody can lay their hands on them. Estimates of what has been found so far vary, of course, but something in the region of 18m tons of ore averaging about 0.25 oz gold per ton seem likely.

The gold content would be about 2½ times that of Canada's existing annual gold production, and at today's gold prices it would be worth some $2bn. So far the discoveries are on a strike length of 1.6 kilometres in a favourable structure which it is thought could stretch for 9.6 kilometres.

Of the three major finds so far, the International Corona-Tech-Noranda partnership is reckoned to have outlined over 2m tons and is carrying out mine feasibility studies.

Long Lac Minerals have a drill-indicated 3m tons going 0.18 oz gold, while the Golden Sceptre-Goliath ground at Molson Lake could now have moce than 10m tonnes grading at better than 0.25 oz.

The Golden Sceptre-Goliath prop-

**Hemlo is firmly established as a new goldfield. But, as in all exploration rushes, there will be casualties.**

erty seems set to produce the first mine, and a start-up before the end of next year is expected. Mr Alfred Powis, Noranda chairman, bas reckoned that operating costs could be equal to less than C$200 per ounce, against a gold price of C$620.

Because all three deposits are close to each other, there could be further cost savings through some pooling of resources.

Noranda bas taken a step in this direction already by arranging to share the shaft it will put down on the International Corona-Teck property with the neighbouring Golden Sceptre-Goliath ground development.

Hemlo is now firmly established as a new Canadian goldfield, no matter what its eventual size. But, as in all exploration rushes, there will be casualties – maybe among the latecomers aiming to carry out "step-out" drilling in areas well away from the discovery zones. Stock market players would be well advised to leave these pastures to the moose.

# Weak demand puts Inco into the red

By Our Financial Staff

INCO, the world's largest nickel producer, suffered a net loss from continuing operations of $204.2m ($2.82 a share) against a net profit of $20.4m a year earlier because of depressed demand and prices. Net sales declined 34 per cent to $1.24bn from $1.89bn.

The 1981 final net loss, however, was $469.5m ($6.51 a share) after a $245m provision for disposal of its Electro Energy division and a $219.8m writedown on its Guatemalan nickel mining and refining operations. There were no such extraordinary provisions in the 1982 accounts.

The fourth quarter 1982 net loss from continuing operations was $63.7m against $40.6m a year earlier. Sales declined by 38 per cent to $255m from $414m.

The Toronto-based company shipped 251m lb of nickel last year against 342m lb in 1981 with the fourth quarter contributing 62m lb against 73m lb. Stocks of finisbed nickel totalled 108m lb at December 31 1982, against 143m lb at September 30 1982 and 144m lb at December 1981.

Inco's average price cealisation on nickel was 15 per cent lower in 1982 than in 1981. Its primary metals division ran up operating losses of $130m in 1982 against an operating profit of $281m in 1981.

# Alcan smelter saved by state credit

By James Buchan in Bonn

ALCAN ALUMINIUMWERKE, the West German subsidiary of the Canadian Alcan group, has been saved at the last moment from closing its aluminium smelter by a state bridging credit of DM 8m ($3.25m).

The company said yesterday that the credit, to come from the Bonn Government and the local administration of the Rhineland-Palabnate, sbould ensure production at the smelter, whicb employs 330 people, for at least this year. Alcan Aluminiumwerke announced a loss of DM 1m on sales of DM 1.3bn last year.

The smelter is at Ludwigshafen, Chancellor Helmut Kobl's home town, and the state of Rhineland-Palatinate faces elections on March 6, the same day as the federal general elections.

Alcan Aluminiumwerke said yesterday that the aid, whicb followed appeals by workers and trades union leaders to the Chancellor, would be accepted but that the future of the smelter could only be secured if electricity prices were reduced.

# INTL. COMPANIES & FINANCE

**Michael Thompson-Noel** on pre-election nervousness in Australia

## Stocks plunge as polling day looms

FOR AUSTRALIAN stock markets, February will be a month of living dangerously, as brokers and investors struggle to out-guess the opinion polls in the short, sharp run-up to the March 5 General Election.

Since the decision of Mr Malcolm Fraser, the Prime Minister, to call an election was announced last Thursday the market has nose-dived. In three days' trading, the Australian All Ordinaries Index plunged 41.6 points, or 7.7 per cent, to 503.2, wiping approximately A$3.5bn (US$3.4bn) off share values. Falling more sharply, the All Mining and Metals Index shed 6.3 points, or (12.2 per cent), to 440.9.

The market appears to be deeply worried at the prospect of Mr Fraser's Liberal-National Party coalition government being beaten by the Australian Labor Party (ALP). In part, the market fears a re-run of the debacle of the Whitlam Labor government, which foundered in November 1975.

In part, it is worried about prospects for business confidence and investment under the modern-day ALP, given the magnitude of Australia's delayed but nevertheless substantial minerals and energy investment programme.

Above all, it is concerned at the massive boost to Labor confidence provided by the sudden toppling from the ALP leadership of Mr Bill Hayden, and the emergence, in his place, of Mr Bob Hawke, whose leadership of the party was formally ratified yesterday.

Mr Hawke is a former president of the Australian Council of Trade Unions, and will prove a formidable adversary for Mr Fraser.

To date, Mr Hawke's plans for industry, business and foreign investment have not been spelt out in some quarters, the betting is that he will prove a pragmatic, almost-pro-business ALP leader, given his range of contacts in Australian boardrooms. However, until his stance on key issues is clear, the market will remain uncertain.

At the moment, the exchange is completely nonplussed with analysts' opinions ranging from neutral to gloomy. One investment manager thought that Australian investors would move cautiously until the election was over, but thought that overseas investors, confident of a Liberal victory, would not move to liquidate their Australian holdings.

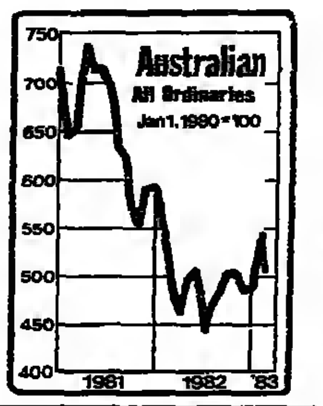
A spokesman for the Australian Mutual Provident Society, the country's largest non-government investor, which at December 31 1981 had ordinary shareholdings in Australia of A$1.84bn, including a nest-egg of A$303m in 29 major oil and mining houses, thought there would be a "hiatus" until foreign investors made up their minds.

A top investment research manager said he expected a volatile market until the opinion polls showed conclusively that Mr Fraser would win.

Until then, say most analysts, the market will behave erratically, in a downward trend, with a clear guide from the opinion polls likely to add or subtract about 100 points, depending on the verdict. In other words, the likelihood of a Fraser victory would steer the All Ordinaries Index up to about 600, while a surge by Mr Hawke would knock it down to about 400.

However, Australian opinion polls (many of them privately-produced) can be erratic, so that investment whims are magnified. The All Ordinaries Index has already fallen further, in percentage terms, than did the old Sydney All-Ordinaries in the run-up to the 1980 election, which produced a sharp swing against Labor in the final days of the campaign.

On the first day's trading after the re-election of Mr Fraser and his coalition partners in 1980, the index rose 5.9 per cent, finishing 2.8 per cent




higher than its level on the day the election was announced.

The second flaw with the view that the early opinion polls, this time around, will cast oil on troubled waters is the certainty that they will be very close indeed, and may even indicate a win for Mr Hawke.

Although the sell-off, to date, has been severe, most brokers point to the 12 per cent increase enjoyed by the market over the first four trading weeks of 1983, which has meant substantial gains for many of the investors who have since got out.

The market's buoyancy, from early January, was influenced by events on Wall Street, by the upward movement in the gold price, by hopes of a recovery in the U.S. economy, and by the feeling that many Australian stocks had nowhere else to go but up.

It is also true that in recent months, Australian sharebrokers have busily identified numerous stocks with good current potential. These included various miners (MIM, CRA, EZ Industries); gold stocks (such as Gold Mines of Kalgoorlie, Poseidon, and Central Norseman Gold); undervalued oil shares with strong cash flow and/or growth potential (Santos, Bridge Oil, Woodside Petroleum); major mid-term resource stocks (CSR, Western Mining Corporation, UMAL); a clutch of industrials (Pioneer Concrete, TNT, Wormald, Nicholas Kiwi); and high yielders (Dunlop Olympic, Westpac, Amatil).

This was despite ready acknowledgment of four main concerns: the direction of the U.S. economy and the timing of its recovery; the world energy outlook; the Australian economy (which has deteriorated rapidly in recent months, with the impact of a catastrophic drought still to come); and uncertainty over the timing and outcome of the Australian election.

However, in its latest Investment Strategy, Potter Partners, the Australian sharebroker, made a number of points, namely:

● The position of the domestic economy. The expected federal budget deficit for 1982-83 is already heading for A$4bn, which is greater than that proposed by the ALP last year in its "alternative" budget proposals.

● Far greater recognition by the present ALP hierarchy that a buoyant private sector is necessary if it is to achieve some of its aims.

● The realisation by overseas investors that the ALP is not nearly as radical or as left-wards inclined as some of its counterparts in Europe.

● The reality of Australia's long-term energy and raw materials advantages, its relative political stability, and its close proximity to the above-average growth regions of South-East Asia.

A contrasting view is that Labor would probably force feed a domestic recovery a little more vigorously than would a re-elected L-NP coalition, with implied difficulties for inflation control and the Australian dollar.

Either way, picking the winner of the March 5 election will not be easy. Like Mr Fraser and Mr Hawke, investors will have to get by on their nerves.

## Woodside gas talks continue

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WOODSIDE PETROLEUM, the key partner in Australia's A$11bn (U.S.$10.6bn) North West Shelf natural gas project, said yesterday that negotiations were continuing for the entry of Mitsui and Company and Mitsubishi Corporation, the Japanese trading houses, into the project's A$8.5bn second stage.

Under the terms of the proposed re-organisation, Woodside would retain its 50 per cent stake in offshore production, and in future exploration and discoveries.

Mitsui and Mitsubishi are negotiating to take a joint 16.66 per cent in Stage 2, which involves LNG production and its shipment to Japan, leaving Woodside itself with a 16.66 per cent stake in the second stage.

The company yesterday issued its exploration and development report for the three months to December, showing expenditure of more than A$126m on development and construction work on the North West Shelf, and A$5.3m on further exploration. Development and construction expenditure in the preceeding two quarters was A$100m and A$84.8m respectively.

The directors said yesterday that a number of high-risk offshore construction operations involved in Stage 1 of the project had now been completed. Completion of the domestic gas treatment plant is scheduled for June next year, so deliveries to the Western Australian State Energy Commission can start on or before the contract date of October 1, 1984. Total employment on the project is now about 3,000.

In addition to reducing Woodside's financial exposure, the completion of successful negotiations with the Japanese would strengthen the project's financial base, and improve relations with Japan.

Other partners in the project are Broken Hill Proprietary, Shell Australia, British Petroleum Australia, and California Asiatic Oil Company, a subsidiary of Chevron Oil of the U.S.

## Boral plans major sale of assets

By Our Sydney Correspondent

BORAL, the Australian construction and energy group, is planning a major assets sale to recoup a significant proportion of the A$85m (US$82m) cash component of its A$220m takeover of BMI, the building materials and resources group.

Sir Eric Neale, Boral's managing director, said Boral and BMI had surveyed the enlarged group's assets, and a number would be sold.

## Further strong growth for Arab Banking Corporation

ARAB BANKING CORPORATION (ABC), Bahrain's largest bank, lifted net profits to $115m last year from $93.5m in 1981, and total assets rose to $7.9bn from $4.8bn according to Mr Abdulla Saudi, the bank's president.

Mr Saudi said deposits rose to $6.7bn from $3.8bn and the loans and securities portfolio to $2.9bn from $1.5bn, Reuter reports from Bahrain.

ABC intends to slow down its assets growth this year to perhaps a 20 to 25 per cent increase.

● Emirates General Petroleum Corporation has awarded a mandate to Gulf International Bank, the Arab Petroleum Investments Corporation, Abu Dhabi Investment and The National Bank of Abu Dhabi to raise $190m.

The eight-year loan can be up to $100m in United Arab Emirates dirhams at ½ per cent over Abu Dhabi interbank offered rates with the remaining dollar portion at ½ per cent over London interbank offered rates.

## Checkers back in the black

By Our Johannesburg Correspondent

CHECKERS, the troubled South African retailing group which manages the country's largest supermarket chain, has turned a corner in its trading operations.

Operating profits of the group's continuing operations were R489,000 (U.S.$433,000) before interest payments for the 26 weeks ended on January 1.

The directors say figures for the corresponding period of the previous year are not comparable. However, in the 53 weeks to July 3 1982 there were audited operating losses of R6.3m. Turnover from continuing operations for the latest half was R573m against R1.13bn for the previous 53 weeks.

Servicing the group's borrowing cost R4.54m in the 26 weeks, against R9.8m in the preceding 53 weeks. The group intends to eliminate part of its debt in the near future through a rights issue planned to raise between R30m and R38m and a further R30m from the sale of freehold properties. This will be used to eliminate short-term borrowing.

Total borrowing stood at R58m on January 1 compared with R71m a year earlier at a time when unprofitable department stores were still operating. As part of the group's rationalisation programme about 2,000 employees were laid off in the half-year just ended.

The directors say trading conditions remain difficult and it is impossible to forecast future profitability. An interim ordinary dividend has not been declared as there was a first-half loss of 92.4 cents a share on the ordinary capital. For the 53 weeks ended July 1982 the loss per share was 257.4 cents and a dividend of 15 cents was declared at the interim stage.

## Poor weather hits earnings at Kanhym

By Our Johannesburg Correspondent

KANHYM, THE South African food group which operates the country's largest feed lot for beef cattle was hurt by poor weather conditions in 1982. Turnover rose by 12.1 per cent to R1.07bn ($945m) but operating profits dropped by 27.5 per cent to R24.4m ($21.6m).

Although 170,000 head of cattle were marketed as against 135,000 in 1981, drought led to higher than normal slaughtering rates by many farmers and prices fell by 12 per cent in the second half of the year, seeing margins cut and losses incurred.

Contributions from crops were also below expectations but the 1983 maize crop looks promising.

An unchanged dividend total of 60 cents has been declared although earnings dropped to 116 cents a share from 151.3 cents.

The directors expect beef prices to improve in the second half of this year and, profits should advance.

# What is needed to extend 'company owning democracy'

By Robert Oakeshott

THOUGH IT has a Lloyd George ring about it, the phrase a "company owning democracy" was first coined by Lord Caldecote in a House of Lords debate in March 1981. The debate should be recommended reading for anyone who still thinks that worker ownership is an essentially impractical and utopian arrangement of interest only to cranks, anarchists and hopelessly unrealistic Liberals from the Celtic Fringes.

The main focus of what follows will not be on the arguments for worker ownership. Instead it will concentrate on specific measures to foster worker ownership which might be included by a genuinely radical Chancellor in next month's budget. Of course, Sir Geoffrey Howe is not Lloyd George. Yet worker ownership should appeal at least as strongly to radical Tories as to radical Liberals and Social Democrats. Indeed it should appeal to all shades of UK political opinion; apart from that minority which still clings to public ownership and bureaucratic socialism as offering the best solutions to the problems of the productive economy.

The table of proposals above suggests a number of highly specific measures for Sir Geoffrey to consider. But before coming on to them some important points of background need to be introduced and some likely objections anticipated.

## They must face the risk

Worker ownership should be distinguished from profit sharing by virtue of the fact that worker owners must, whereas profit sharers need not, have a direct owner's interest in the *re-invested profits* and in the *asset growth* of the companies for which they work. Correspondingly by virtue of being worker owners they must face the risk that the value of their investment in their companies can go down as well as up. Such ownership may, it should be added, be either collective—perhaps through an employee trust—or individual, or what is probably most likely to succeed, a mixture of the two.

Worker ownership in this sense can apply only to the ownership of the business for which the owner in question is actually working. What would be encouraged by the measures under discussion, is essentially the internal ownership of companies by the people working in them.

Yet it would be absurd, when worker ownership is in its infancy, to put forward measures which could only affect companies which swallow it whole. Even the excellent recent case of the National Freight Consortium would have to be ruled out as ineligible if such purist criteria were insisted upon. But a more general point is also in order. If the spread of worker ownership is urged on the basic ground that most people work better when they are working for themselves, then this is likely to hold good, if to a lesser degree, if they are working *partly* for themselves.

Schemes of partial worker ownership should, therefore, qualify as well as schemes which go the whole hog. Partial as well as total worker ownership is covered, incidentally, by the American Employee Stock Ownership Plan (ESOP) legislation referred to in Proposal 2.

Two main objections are worth anticipating. The first is the familiar cry from officials that listed proposals would inescapably invite abuse and that they could only be countenanced if really satisfactory safeguards were built in.

One obvious safeguard would be to lay down as outside the scope of any benefits all businesses the main activity of which involved financial and related operations, banks, insurance companies, dealers in securities and real estate, for example, would be excluded. There are safeguard precedents in past Finance Acts for this distinction.

There are also relevant safeguards in those recent Finance Acts which allow minimal share allocations to workers out of pre-tax profits (see again Proposal 2 in the table). The chief one defines a minimum time period before which such shares can not normally be realised. It would be entirely in order for similar and strengthened safeguards to apply in the case of measures to promote worker ownership.

The second predictable objection to some at least of the proposed measures is more general. It will be argued that positive discrimination in favour of worker ownership, where that is proposed or implied, is inadmissable. A short and fundamentally conservative answer to that would be based on the precedent of the array of existing positive discrimination in favour of home ownership. A more liberal reply, anyway in the American sense of liberal, is that positive discrimination should be welcomed, and need not be defended, when it is dealing with manifest unfairness. It would be hard to think of any greater unfairness than that which is implicit in the current ownership distribution of productive assets.

Turning now to the proposals, an important distinction should be made explicit. Only one of the proposals (3) is directly and exclusively concerned with the formation from scratch of new worker-owned businesses and co-operatives. In some ways it is the most important of the lot. For it could have the most direct effect on those who are being forced to bear the main costs of the recession, the unemployed and especially the young unemployed.

Those whose work includes advising the unemployed about starting up new businesses, whether singly or in small co-operative groups, are likely to feel strongly about this proposal. All too often the only realistic advice, as things stand at the moment, is: "Start in the black economy." The majority of these new ventures, and virtually all the artisanal ones, will be competing anyway in their early stages with the "moonlighting" sector.

They can only expect to survive therefore if they can compete with it on even terms. The enterprise allowance scheme makes it possible for them to do that without going "black" themselves by providing an assured weekly income of £40 for one year. But at the moment the scheme operates only in five small areas. It should be extended across the country.

Proposal 3 also calls for a modification in the scheme's rules where the prospective business is a worker owned co-operative which would employ at least three people from the start. Instead of being required to invest £1,000, as under the present system, it proposes a figure of £500. Of course it is right that those who benefit under the scheme should make a significant commitment themselves. But for many of the unemployed £500 would be a very significant commitment. Anyone who doubts that should spend time at an unemployment centre in a place such as Kirkby.

## Worthwhile number of new jobs

New worker-owned businesses and co-operatives started from scratch have already created a most worthwhile number of new jobs over the past three years: estimates vary between 5,000 and 10,000 but the figure is almost certainly higher than what we could expect from, say, a Nissan investment in the form of a motor car assembly plant.

The point is that the pace of this new job creation could well be stepped up if Proposal 3 was accepted and especially if it was coupled with a commitment to extend the life of the Co-operative Development Agency (CDA) as suggested in Proposal 6. Indeed Mr George Jones, who was seconded from Unilever to be the director of the CDA last year, believes that something like 8,000 new permanent co-operative jobs could be achieved annually between now and the end of the decade. But that would depend in his view, among other things, on the continued existence of his agency.

Yet if worker ownership is to have any really significant impact over the next decade or so, that can only happen as a result of developments within existing businesses. Proposals 2, 4 and 5 are the most important ones in this respect though 1 and 6 are of considerable consequence as well.

### SPECIFIC PROPOSALS FOR THE CHANCELLOR

**1** Extend tax allowances currently available to those buying themselves into (eg) close companies and partnerships to cover all approved cases of worker ownership. Drivers in National Freight should not be worse off in this respect than partners in a solicitor's office.

**2** Adapt existing legislation governing employee stock ownership to take account of the interests of existing shareholders as is done by the Employee Stock Ownership Plan (ESOP) laws in the U.S. Then increase tenfold the present maximum annual allocation of £1,250 to individual workers out of pre-tax profits and include co-operatives in the category of enterprises which may qualify.

**3** For worker owned businesses and co-operatives which start by employing three or more people reduce the minimum investment required to qualify under the present enterprise allowance scheme from £1,000 to £500 and then extend right across the country the scheme so that it covers the whole of the UK and not just five small areas.

**4** Introduce tax compensation for sellers whose whole enterprises are sold to their workforces at below market prices.

**5** Treat co-operatives or workforce companies of ex-employees as preferential buyers—or tenderers—when acts of denationalisation or demunicipalisation take place.

**6** Make a commitment well before the election to extend the life of the Co-operative Development Agency when its present term expires soon after it.

To begin with we need to consider cases of partial worker ownerships and especially cases which might occur in publicly quoted companies where the interests of existing shareholders would most obviously be affected. Here the key proposal is 2 and the crucial point is the need for measures which would compensate existing shareholders for any dilution in their equity. For otherwise and apart from anything else the established defenders of those interests—the pension fund managers and the insurance companies—will resist any worker ownership measures which go beyond the minuscule proportions permitted under our own employee share ownership legislation.

In effect the American ESOP laws get round this difficulty by offering tax "breaks" of one kind and another to companies which introduce approved ESOPs. The most eye catching of these permits a company to treat as an expense the issue of new shares to an ESOP, where these are simply certificates covering authorised but not previously issued shares for which it has had to incur no direct costs at all. It should be emphasised that ESOPs can be and have been used both to introduce partial worker ownership and for complete ownership transfer from former shareholders to a company's workforce.

The remaining proposals, 4 and 5, are mainly relevant to situations in which a complete workforce buy-out is being considered or in which either a co-operative or a workforce company is seen as an eligible successor to a publicly-owned undertaking. Typical cases where the starting point is in the private sector are family businesses and profitable, but peripheral, subsidiaries of publicly quoted companies.

There are good grounds for believing that if only "other things" could be made a little less unequal workforce buy-outs would be a favoured solution by significant numbers of family businesses facing a "succession problem" as well as by conglomerates seeking to divest themselves of some peripheral activity.

The crucial fact to grasp in the case of a successful family business is that the price which the present owners can realistically expect from a workforce buy-out is almost bound to be less than sale to a competitor or a flotation on the Stock Exchange would produce. In some cases this difference may be of the order of two or three to one especially where the family sellers are anxious to preserve the re-investment capacity of the successor business as a high priority.

A few generous and far-sighted spirits may be prepared to make this sacrifice. But the CDA's experience in this respect is worth referring to. Out of some 35 approaches in cases of this sort only two have actually happened. The great majority have been deterred by the tax implications of this solution.

A lower rate of Capital Gains Tax (CGT) liability for the sellers where the buyer was a workforce company, or a co-operative would do much to encourage this flow. Proper safeguards could, of course, and unquestionably should, be introduced.

Some appropriate form of tax relief would also be in order in the divestment case. Here again the price which can be reasonably expected from a workforce buy-out will normally be less than what a third party will pay.

But there is an additional point which needs to be taken into account. For obvious reasons the fashionable management buy-out is almost always easier and less expensive to engineer than one in which the whole or a significant percentage of the workforce is involved. On the other hand both common sense and theoretical considerations make it probable that the successor company following a management buy-out will have a shorter life expectation under its new owners than would be the case following a more fully fledged workforce buy-out.

A radical Chancellor, like Lloyd George in his period as "The People's Champion"—to borrow John Grigg's excellent phrase—would not, I think, have much difficulty accepting the proposals so far considered. On the other hand, it is Proposal 5 which focuses on the succession when acts of denationalisation or demunicipalisation are contemplated which may have the greatest appeal to Sir Geoffrey.

Always given that future governments will continue to favour denationalisation and demunicipalisation then there is, I believe, almost unlimited scope in this area. Garbage collection and British Rail catering may be the currently fashionable examples in some circles.

But very little of this is going to happen unless and until either this Government or its successor offers real incentives to potential ex-employees of state or local authority undertakings to form co-operatives or workforce companies and enables them to move in when acts of denationalisation or demunicipalisation take place. Here is a prospect, surely, which could appeal not only to the "People's Champion" but two people at both ends of Mrs Thatcher's Tory Party: to Sir Ian Gilmour for example and to Mr Norman Tebbit.

*Robert Oakeshott is Director of Operations, Job Ownership Ltd.*

CONTRACTS

## Edinburgh art gallery

Work has started on the transformation of the grade "A" listed John Watson' School in Edinburgh into the Scottish National Gallery of Modern Art. The £1.5m contract being undertaken by **JOHN LAING CONSTRUCTION** was awarded by the Property Services Agency. The work, which involves some demolition, includes alterations, floor strengthening and general internal refurbishment. Built between 1828-1832 the school's three-storey main building and two single-storey wings in Belford Road cover a total floor area of 4,450 sq metres. Lighting systems are planned for 18 galleries which will house a permanent collection as well as facilities for temporary exhibitions. Heating and air conditioning will be provided in the conservation wing at the north end of the building. A lift and hoist will be installed. A restaurant, small cinema and an education area for school children are also planned. The conversion is due for completion in July 1984.

★

A two-year contract valued at over £300,000 to mail the 100,000 circulation weekly trade paper "Computing" published by VNU Business Publications has been awarded to Norwich-based **MAGAZINE MAILING**, a member of the Brockdorff Group.

★

**DEGUSSA** has won an order worth well over £800,000 for the robot-operated heat-treatment plant for Jaguar Cars new crankshaft production line at Radford Works, Coventry. The company's Birmingham-based Durferrit division is designing and manufacturing a highly automated salt-bath furnace line for surface treating up to 1,200 six-cylinder crankshafts a week by a salt-bath nitriding process. The equipment, which will all be British-made, will be delivered and installed in time for commissioning towards the middle of 1983.

# TECHNOLOGY

EDITED BY ALAN CANE

## MICROELECTRONICS TO THE AID OF SCHOOLCHILDREN

# Naming names by computer

BY TIM DICKSON

CASH'S NAMETAPES must be familiar to many of the nation's whining schoolboys—or at least to their mothers. But the story of how Coventry based J and J Cash has applied micro-electronics to speed up deliveries and cut down overheads is not nearly so well known.

According to Mr Leslie Kinmond, manager of the nametapes division of J and J Cash—itself now part of the publicly quoted textiles group Jones Stroud—" It is no exaggeration to say that the project has kept the company in the nametapes business."

Cash's case is one of a series of studies being used by the Department of Industry to publicise MAP—the department's programme to encourage the application of microelectronics in all sectors of manufacturing industry.

It offers, moreover, a good example of how a company still run very much as a family business—Mrs Anne Sargent, the current managing director, married into the Cash family—can confront new technology and survive in the competitive markets of the 1980s.

For many of the years since its formation in 1902 J and J Cash used the Jacquard process to weave its name tapes onto narrow measures of cloth. (Only one major competitor today weaves the name—most print it).

Jacquard realised that the weaving process of combining threads for the length of the cloth—the warp—with cross-ways thread—the weft—was time consuming when done manually.

His loom thus controlled the lifting of the warps by connecting them to rods with hooks over the top. Needles " programmed " by cards with a series of punched holes were then used to push some hooks out of the way so that a pattern could be produced.

To Jacquard's posthumous credit—he was driven out of his town for his invention by ungrateful Luddites—the essence of his system survives at J and J Cash to this day. Indeed prior to 1968 the process differed little from the original concept but at this time the company started to realise that the use of Jacquard cards was both time consuming and labour intensive.


To weave three dozen nametapes with the name of J. Smith, for example, required about 450 cards strung together to make a continuous run. Weaving time represented only a small part of total production time so that loom efficiency was low.

" The company used to employ 30 or 40 people to make the Jacquard cards and therefore could not keep prices down," said Kinmond. " We were finding that we couldn't respond quickly enough to the peak demands during the end of the school summer holidays."

Cash's first computer system was introduced in 1968. It replaced Jacquard cards at the loom head with an electromagnetic loom controller. Where each needle previously activated either the presence or absence of the hole in the card, the job was now done by electromagnet.

All information previously put on to Jacquard cards was punched on to one-inch wide computer tape which was " read " by a tape reader. The signals were used to drive the electromagnetic loom head.

The major disadvantage of this system, however, was the volume of paper required (1,000 miles a year) which made Cash the biggest user of paper tape in the country.

The problem was solved by the microprocessor based project introduced in 1980 with £11,000 of financial support from MAP. This programmed the weaving information previously on the Jacquard cards into a memory. A microprocessor is used to fetch the data required and put it on to the electro-mechanical loom head.

Alan Leach, Cash's sales manager, points out that the main advantages of the system are its reliability, its low error rate and the low manning levels required.

The instructions punched out on the paper tape have been condensed so that only 15 miles a year of computer tape are now required.

Cash had previous contacts with the DoI—which it says was very helpful—and nearby Lanchester Polytechnic was commissioned to develop and build a prototype.

*Much of the later work was* done by John Lowe, now a full-time employee but initially a PhD student at Aston University, Birmingham, who was seconded to Cash under the Inter-disciplinary Higher Degree Scheme (financed by the Science Research Council).

Jobs were lost among the Jacquard card handlers when the process was first automated in the 1960s. But according to Kinmond: "Automation then and since has made Cash's competitive—keeping prices down and improving turnround considerably.

"Orders used to take eight weeks but we have now got this down to 10 working days," he says.

"Most of our competitors print the name and can do so very quickly. People buy Cash's nametapes because of the reputation we have built up over the years but we could not afford to rest on our laurels. In today's markets price and service are more and more important with the end consumer wanting the nametape more quickly than before."

Microelectronics has also given Cash the scope to open up new markets, including personalised luggage straps and camera straps. Dog leads could follow.

DoI grants of up to £3,000 are available towards the cost of a feasibility study by authorised consultants and of up to one third (for applications received by May 31) of the cost of development projects involving the application of micro-electronics.

The Cash project cost £44,000 of which £11,000 was provided by the MAP grant.

For further information contact MAP Information Centre, Freepost, Department of Industry, Room 514, 29 Bressenden Place, London SW1E 5BR.

## Corrosion

# Elbow design

THE PROBLEMS of wear and corrosion at right-angle elbows and return bends has long been a headache for companies involved in offshore oil, petroleum or other chemical supply.

Now, Formet of Newcastle-upon-Tyne has come up with a new approach to the forging of such components by introducing an elbow design in which the outside of the bend has a double walled thickness.

It is in this area that the effects of corrosion resulting from the liquid flow in the pipe are at their greatest. The change in direction means turbulent flows and higher pressures on the wall.

The new fittings are available from Formet in diameters and bend radii to suit individual requirements. Depending on the application, high grade materials such as LF2, LF3, cupro-nickel, stainless, carbon or alloy steel, aluminium, or other non-ferrous metals can be used for manufacture.

Formet, an associate company of Lloyds British, provides comprehensive test certificates detailing chemical analysis, heat treatment, hardness and mechanical properties at low, room and high temperatures with all forgings.

More from Miss Jean Wood at Lloyds British Testing, Atlas House, 4-6 Belwell Lane, Sutton Coldfield, West Midlands (021-308 7101).

MAX COMMANDER

## DORSET COMPANY'S COOLING TECHNIQUE

# Titanium-to-titanium welds for North Sea pumping

BY GEOFFREY CHARLISH

WHEN GAS is pumped at high pressures from under the North Sea, it needs to be subsequently cooled and the only cheap and convenient coolant to hand is the sea itself.

Although there is an obvious abundance of cold sea water, it is far from an ideal coolant due to its corrosive effect on most steels. Titanium is virtually unaffected by sea water and so is good but expensive choice for the construction of the big heat exchangers that are needed.

These devices take the form of several hundreds of tubes perhaps 0.75 inches in diameter and up to 10 ft long, secured at their two ends by fixing them into holes bored in circular end plates. A cylindrical shell fits between the end plates (called tubesheets) to give a water-tight enclosure through which the sea water is circulated. The gas is pumped through the multitude of pipes and via their large surface areas, gives up its heat.

Although the tubes can be made of relatively thin walled titanium, to make the tube-sheets from the metal would be somewhat expensive since they have to be several inches thick to resist pressure. The answer according to Filtration and Transfer of Poole, Dorset, is to use a tubesheet clad on the sea-water side with the metal.

The tubes would be welded to the cladding on the inside of the enclosure, giving a sound titanium-to-titanium weld at the one place that will guarantee no ingress of sea water into the tiny gap between tube surface and hole wall.

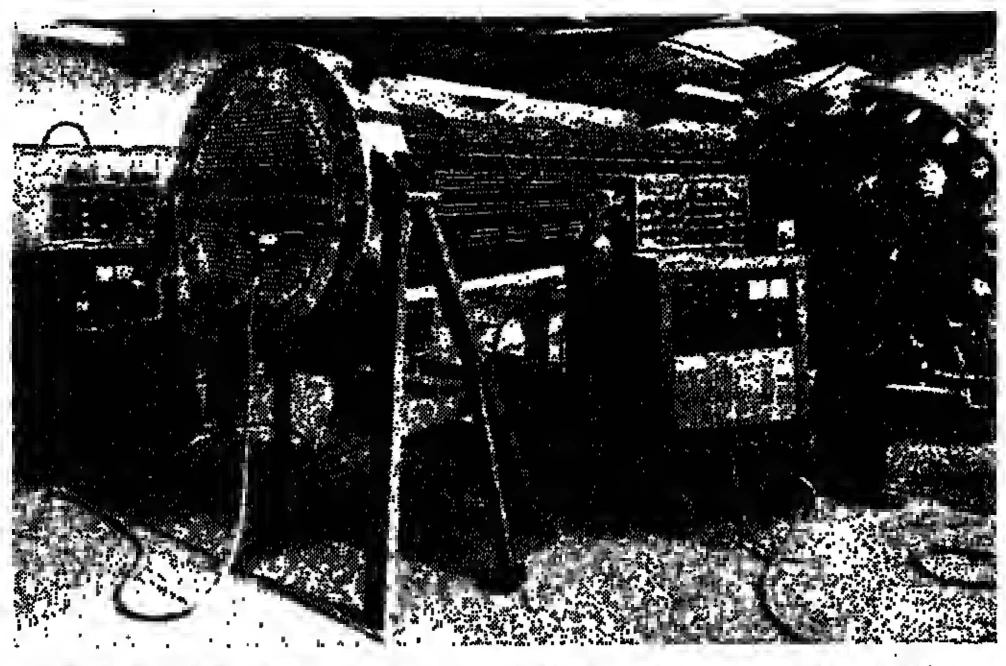
This involves a so-called " back face " weld: it has to be made on the inside of the enclosure and the only practical way is to butt up the tube to the inside tubesheet surface and then insert a welding tool to a calibrated position into the tube from the outside.

After a good deal of experimentation, the company claims to have perfected the technique. A special TIG gun is used which, after insertion rotates to make the weld in a minute or so. Rotational speed, weld energy and other parameters are controlled by a specially designed electronic system.

The weld is then inspected using an intrascope (an optical probe for looking into holes) and subjected to halogen leak testing.

Exchangers using the technique will soon be in action on British Gas's Roughfield platform and F and T believe that the technique will benefit all those using sea water and brackish water for cooling, as well as operators of specialised chemical plant systems.

Apart from promising very long life exchanger life by virtually eliminating corrosion problems, the technique is also said to allow dramatic weight savings. Cost can also be reduced says the company, in cases where a more complicated closed circuit system can be replaced by direct cooling. More on 0202 677456.



On the left of the picture a titanium tube to tube sheet weld is taking place automatically on a production cooler destined for an offshore North Sea location. This new application of automatic back face welding has been developed by Poole-based Filtration & Transfer



## Disk storage

# Back-up for Apple

SINTROM Electronics has launched a low cost back-up for Apple III users. It is a back-up storage device for the Winchester disk which copies data for archiving purposes onto 3M tape cartridge. The Sintrom 4510 costs £1,358. More details for this device can be obtained on 0734 875464.

Another low cost back storage device for mini, rather than microcomputers, with Winchester disks uses a a video cassette recorder. Debug Data Services has available the system for use with the Alpha Micro 32 bit multi-user minicomputer system. Information about this system can be found on 0494 448777.

## Keyboard

# Alphanumeric

A LOW PROFILE, enclosed keyboard, the AKL81-092, has been added to Alphanumeric's range of microprocessor based keyboards. The new keyboard is designed to plug into all Viewdata television terminals equipped with six-pin DIN sockets.

The keyboard is a 72-key with capacitive key sensing. A coiled cable connection allows the keyboard to be situated up to 5 ft away from the television screen. Alphanumeric can be contacted on 04862 71555.

# FMC mixer

A CONTINUOUS injection mixer for use in the food, chemical, pharmaceutical, and cosmetic industries has been launched by FMC Food Machinery Europe. The new mixed is capable of handling liquid dry ratios from 1 per cent to 99 per cent. For further information contact the company at Bredstraat 3, B-27 Sint Niklaas, Belgium, or telephone 010 32 3 776 43 91.



## OBITUARY

SIMMONS — On February 7th, suddenly, Jack of Beechen Grove, Pinner, beloved husband of Kay. Father of John and Jill. Grandfather of John and Jeremy. Director of Singer and Friedlander and formerly Treasurer of National Westminster Bank Ltd. Family flowers only. Donations may be sent to The British Diabetic Association, 10, Queen Anne Street, London, W.1. Cremation at Ruislip Crematorium on Thursday, February 10th at 3.15 (West Chapel). Enquiries to John Nodes & Sons Ltd. 01-969 1819.



# ENERGY REVIEW

# Sea-dumping nuclear waste—a drop in the ocean

By David Fishlock Science, Editor

WHEN THE 52 nations which have ratified the London Dumping Convention regulating the dumping of industrial wastes in the ocean meet in London next week, vigorous efforts are expected to get a ban on one type of waste.

Assertions that this is one of the least noxious, most closely monitored of all wastes dumped in the seas will not deter the protestors. They want the dumping of radio-active wastes to be " blacklisted."

The Pacific islands of Nauru and Kiribati, concerned about Japan's plans to start dumping radwaste between Japan and the Phillipines, will try to get the practice proscribed. Their resolution may be supported by the four Nordic nations. Anti-nuclear protest groups are being urged to add a public voice to the inter-governmental discussions.

Just how much confusion has already been created in the public mind about radwaste was neatly illustrated by headlines in two London papers over the same story last week, about spent nuclear fuel removed from reactors. The Times read " £100m store for nuclear fuel planned." The Guardian read " CEGB will need new central store to house the nation's nuclear waste."

British Nuclear Fuels puts a scrap value of £53,000 per tonne on spent nuclear fuel, for the unburnt uranium alone that it contains.

No country dumps spent nuclear fuel in the ocean (although the Swedes are planning an offshore radwaste repository buried in the seabed which may also be used for spent fuel). But a few countries —the smaller ones, lacking deserts in which they can bury the problem—use the oceans to dump bulky, slightly radio-active waste.

At issue here is the nastier end of the least radio-active of all nuclear wastes. It is material contaminated with traces of tritium and plutonium.

How slight is the activity may be gauged from photographs of British radwaste being manhandled in preparation for sea dumping. It is just one of several streams of radwaste, all others being stored on land.

The dominant mechanical characteristic of the sea-dumped radwaste is that it is bulky. It is mostly laboratory trash—lab coats, apparatus, filters, etc. A decade ago, about 80 per cent of Britain's radwaste for sea dumping came from its hospitals, where radioactivity is extensively used in both diagnosis and treatment.

With the growth of Amersham International, manufacturing radio-active health-care products, and of the use of radio-activity and industrial laboratory activities in general, hospitals today account for only about one-third. But Dr J. B. Lewis, the Harwell chemist who has been in charge of radwaste sea dumping by Britain in recent years, says that even without a nuclear power programme Britain would still be producing half the radwaste it sea-dumps today.

> **"The top 500 metres of rock and soil with which Britain is covered, above the level at which it is proposed that wastes should be put, contains some 900m tons of uranium and 300 tons of radium . . . This 300 tons of radium is at least 3m times as dangerous as the half-ton of plutonium in all our wastes until the year 2000—and it is not made into glass or sealed up in stainless steel, but distributed through impervious and permeable rocks alike. It doesn't seem to be doing us any harm."—Prof John Fremlin, University of Birmingham.**

Britain is one of four nations which dumped radwaste in the ocean last year, others being Belgium, the Netherlands and Switzerland. In previous years, West Germany, France and the U.S. have used sea dumping. Japan, a close observer of European practice, plans its own sea dump soon in the Pacific. The U.S. has indicated that it plans to return to sea dumping. Formerly, it used a different site — one which does not meet LDC specifications.

The only sea dumping area approved by the London Dumping Convention (LDC) at present is in the Atlantic, 700 km south-west of Ireland and 700 km north-west of Spain. This was selected for the LDC in 1973, by the OECD's Nuclear Energy Agency (NEA).

The site — never formally named and so known simply as the " NEA dump site " — is a lozenge-shaped area measuring about 90 km by 30 km, and 4,000 metres deep. It is well away from trans-Atlantic cables — a big restriction on site selection — and from commercial fishing. It is kept exclusively for radio-active waste. The LDC places a top limit on the amount of radio-activity that can be dumped at this site in any one year.

Organisations which dump waste — including radwaste — in the oceans do not have a voice at the LDC. The debate is among those government agencies responsible for controlling and monitoring waste dumping — in Britain's case, the Ministry of Agriculture, Fisheries and Food (MAFF).

A senior MAFF scientist, Dr R. J. Pentreath, has recently described the section of sea used for dumping. Within the 4,000 metre column of water, density of marine organisms falls off fast from 200 metres down to 2,500 metres. From this level down to within 100 of the seabed there is " little biological presence," he says.

No fish are caught comercially below about 1,500 metres, " and even the deep-sea fish which are caught commercially do not appear to have food chain links with the fauna at about 4,000 metres and below."

Provided the radio-active packages remain intact until they reach the seabed, the chances of any activity finding its way back to man seems remarkably remote. MAFF has caught fish from the seabed at the dump site and found them " not significantly different " in activity from other deep-sea fish. If eaten by man—they are not eaten at present—at a rate of half a kilo a day, they would increase his radio-active burden to only 0.014 per cent of the internationally recommended dose limit.

The LDC at present permits up to 100,000 tonnes of radwaste a year to be dumped in this site, subject to approval year by year. In practice, the nations using the facility are dumping only about one-tenth of this amount. Since the radwaste itself is sealed up in ten times its weight of concrete, in steel drums to keep the packages intact until they reach the seabed, the actual weight of radioactive trash being dumped is of the order of 1,000 tonnes. Last summer Britain dumped drums totalling 2,700 tonnes, in two-tonne packages.

But images created by the protestors of a mountain of nuclear waste arising like an Aberfan of the deep to threaten humanity underestimate the sheer immensity of the oceans. Vessels dump their cargoes while steaming across the site. Dr Lewis says it works out at about one drum every square kilometre of seabed.

How much radwaste will be dumped this year is not yet decided. The Netherlands have declared a moratorium on sea dumping while they search for a land site. The Dutch are not expected to dump this summer. They may start building an artificial island in the North Sea to store radwaste.

Britain, on the other hand, has given ministerial approval to Harwell to increase the total dump this year to about 4,000 tonnes. This figure has still to be confirmed. A new organisation called Nirex has recently been set up by the nuclear industry in Britain to take responsibility for disposal of all but the most highly radio-active form of radwaste—the acid effluent from reprocessing spent nuclear fuel.

Nirex, a consortium funded equally by three organisations —the UK Atomic Energy Authority, the generating boards, and British Nuclear Fuels—has just acquired a new vessel for sea dumping, bigger than the Gem used in recent years. Its main feature will be a " moon-pool " or hole into the ocean amidships, which allows it to dump with less risk of interference from protestors. It expects to pay up to £500,000 for the conversion of the Atlantic Fisher by midsummer, and will compensate its owners for the extra drag when the vessel is used for other operations.

Seamen loading two-tonne drums of radio-active wastes from hospitals, laboratories and power stations aboard the Gem for the annual sea-dump in the Atlantic

Mr Maurice Ginniff, chief executive of Nirex, sees no logic in phasing out the sea dumping of radwaste. It has the approval not only of the MAFF but of the National Radiological Protection Board, the Government's watchdog on public exposure to radiation. Mr John Dunster, the watchdog's director, says confidently that people would not be exposed to more than the internationally agreed radiation dose limits if all kinds of nuclear waste—not just some of the lowest level of radwaste—were dumped in the ocean.

In Mr Dunster's view, people will be safer if all intermediate-level radwaste, as well as low-level radwaste, were dumped on seabed. Since this is politically unacceptable, however, Britain will do something less safe, namely bury most of it in some way.

Meanwhile, Nirex is preparing plans for its first two new repositories, for low-level and intermediate-level wastes respectively. Mr Ginniff says that, at the rate Britain is producing radwaste, he expects to need the first by the late-1980s, and the second by the early-1990s. He believes that rapid progress on these two repositories will help convince most people that Britain is not relying wholly—or even mainly —on sea dumping to rid itself of the problem.

Nirex believes it may cost more, but not significantly more, to store the radwaste it is sea dumping. But whereas a burial site free from plutonium will have decayed to natural levels of radioactivity in only 200-300 years, this will not be the case for waste contaminated with plutonium. Tritium—a radio-active isotope of hydrogen —requires different precautions because of the ease with which it migrates in nature.

Where the sea dump will prove the biggest boon, however, is when countries begin to dismantle old nuclear power stations. The more radio-active debris such as the steelwork within the reactors themselves will be buried on land as intermediate-level nuclear waste. But that will leave enormous volumes of very slightly radio-active concrete which could be dealt with most safely, conveniently and cheaply by packaging and dumping into the sea.

# Amstrad first-half profits up to £4.59m

BY OUR FINANCIAL STAFF

TAXABLE PROFITS of Amstrad Consumer Electronics jumped by £2m to £4.59m for the six months to December 31, 1982, while sales rose sharply from £15.6m to £28.61m. The company manufactures electronic, audio and domestic consumer equipment.

Mr A. M. Sugar, the chairman, says that provided there is no further significant erosion of sterling, or any other adverse economic conditions, he looks forward with confidence to the remainder of the current year.

He cautions, however, that realistically, a similar performance in the company's figures should not be expected for the second six months.

This can be emphasised by the situation with currency exchange rates, which has caused significant increases in raw material costs. Mr Sugar adds that, in turn, these increases must be reflected in the selling prices of the company's products.

**■ AMSTRAD CONSUMER ELECTRONICS**
*Manufactures and distributes electronic and audio equipment*

| Half-year to Dec 31 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 28.61m | 15.6m |
| Pre-tax profit | 4.58 | 2.58m |
| Tax | 2.07m | 1.34m |
| Attributable profit | 2.52m | 1.24m |
| Earnings per share | 13.51p | 6.65p* |
| Dividend | 1.12p | 0.93p* |

*Adjusted

Both Amstrad International (Hong Kong and Amstrad Sarl in France made useful contributions to profits in the first six months of the year and they show signs of playing a significant part in future growth, the chairman says.

Tax charge for the half year increased from £1.35m to £2.07m and earings per 25p share came out well ahead at 13.51p, against an adjusted 6.65p last time.

The net interim dividend is effectively being raised from 0.935p to 1.12p a share, with the chairman waiving payments in respect of £130,419 – in the last full year, payments totalled 2.37p, after adjusting for the one-for-one scrip issue. Pretax profits doubled to £4.77m.

Mr Sugar reports that the company's entry into the colour TV market has been successful and paved the way for deeper penetration into this important product sector. To complement its colour TV range, Amstrad will be introducing in May of this year its first video tape recorder, based on the VHS system.

The company's new factory in Shoeburyness has now been completed and the planned move into it is going well, causing a minimum of disruption to production.

# Dividend increase for Crest Nicholson

By Our Financial Staff

CREST NICHOLSON, the diversified property development group, has recorded an increase in group profits for the eighth successive year. In the period ended October 31 1982 the pretax figure rose from £400,000 to £6.72m.

Earnings rose from 8.76p to 10.15p net per share. A final dividend of 1p lifted the total to 3.15p, against 2.85p.

The directors say the year's results are all the more pleasing as they were achieved against a background of severe industrial depression at home and particular problems in some overseas markets.

For the current year as a whole the group was on target to increase its profit yet again. But the seasonal imbalance would be particularly marked and virtually all of the profit would arise in the second half.

In the property division progress continued, and the profit was lifted from £4.29m to £4.92m on sales of £26.54m (£23.74m). Crest Homes exceeded its target and improved its profit, while Crest Estates turned in record trading. The main feature of the office market was the change in the market for letting of offices, as tenants became more difficult to find.

Sales in the commercial and industrial division were unchanged at £30.16m (£30.25m) but the profit declined from £2.66m to £2.38m.

The sports surfaces, marine activities and industrial equipment divisions increased their profits. Most notable was En-tout-cas, which turned in record figures by exploiting the overseas markets for running tracks and other sports surfaces. The increases went a long we towards offsetting a decline on the optical products side.

After tax of £2.5m (£2.7m) and minorities of £30,000 (£10,000) net attributable profit was £4.2m (£3.62m). Dividends absorbed £1.31m (£1.18m).

Return on sales was 11.8 per cent and profit per employee rose from £6,080 to £6,990. Return on shareholders' funds has decreased from 41 per cent to 38 per cent but the return on capital has improved from 29 per cent to 31 per cent.

The year-end balance sheet shows shareholders' funds at £20.12m (£17.52m), bank loans and debentures £5.78m (£2.6m), and net current assets £27.5m (£21.94m).

RIVAL BIDDER BASSISHAW STICKS TO OFFER

# Burton to buy UDS chains

BY RAY MAUGHAN

UDS GROUP, the Allders department store chain, duty free shops and the William Timpson and John Farmer shore retailer, has finally clinched the deal with the Burton Group to sell the John Collier and Richard Shop multiple stores.

The deal will cost Burton £78m, or about 40p per UDS share in either cash or equity, assuming a price of 300p per Burton share.

The issue of Burton shares will not be underwritten. Both sides said that the two chains "should be sold to an established retailing group, which can quickly develop and operate them successfully."

Burton and UDS cannot complete the deal without the support of respective shareholders at general meetings. Given the statutory three weeks notice, these will not be convened before a £191m bid for the whole of UDS by Bassishaw Investments has reached its next closing date on February 17.

Bassishaw, the consortium of Heroo Corporation and a group of leading institutional funds put together specifically to effect the UDS deal, was ostensibly underterred by the plan to sell off the most attractive recovery sites in the UDS group.

Mr Gerald Ronson, the chairman of Bassishaw and Heron, said yesterday that "the announcement only gives an outline of the detailed terms and conditions attaching to this sell-off.

"It is, however, contingent upon a number of crucial factors including the approvals of both sets of shareholders and clearance by the Office of Fair Trading (OFT). In any event, we do not believe that the proposed sell-off, if it is achieved, increases the value of UDS to above our offer price.

Subject to the 100p cash per share offer from Bassishaw being withdrawn or lapsing, UDS intends to propose arrangements enabling its shareholders to receive the consideration payable pro-rata to their holdings in UDS.

Consideration for the proposed acquisition will be alloted direct to UDS shareholders under a Scheme of Arrangement, pursuant to section 206 of the 1948 Companies Act. Its implementation will be subject to the sanction of the Court.

A total of 26m ordinary Burton shares will be issued, about 25 per cent of the enlarged share capital, and will be eligible for the final dividend declared in respect of the year ended 27 August 1983.

If Burton pushes the deal through shareholders in both camps, through the OFT and past any union fears of a major loss of employment, the rump of UDS will comprise 12 department stores, eight of which trade as Allders and three as Arding and Hobbs, the John Blundell and Lawson Fisher bome shopping operations, the Timpson and Farmer shoe chains, the new Orbit electrical stores outfit and the Ocean duty-free operation.

# Cycle and Carriage sells out in Newman reorganisation

BY DAVID DODWELL

NEWMAN INDUSTRIES, the fastenings, engineering and electric motors group, yesterday revealed refinancing plans which will raise £8.3m in cash and add about £11.9m to shareholders' funds.

The package is intended to resolve three years of growing debts and deepening losses. These were detailed yesterday with the release of the company's long overdue annual report for 1981. At the end of that year, losses before tax had amounted to £4.11m on a turnover of almost £78m.

It also involves the effective withdrawal of the group's major shareholder, Singapore-based Cycle and Carriage, and the introduction of two new institutions, Finance for Industry and UK Temperance and General Provident Institution.

Main proposals in the refinancing package involve the issue of two new classes of voting shares – cumulative convertible redeemable participating shares of 10p each, which will account for 95.8 per cent of the reorganised group's share capital, and cumulative Redeemable preference shares of £1 each.

They also involve an open offer for cash at par of 82,097,402 convertible shares, underwritten by Morgan Grenfell (on behalf of a group of financial institutions), Finance for Industry and UK Temperance.

The company's current 25p nominal shares, which were suspended on August 9 last year at 8p apiece, are to be reduced to a par value of 1p following a reduction in the company's capital. These will then be consolidated on a one for 10 basis into new ordinary shares.

When trading in the company's shares was suspended, loans and overdrafts amounted to £28.4m against shareholder funds of just £3m. Interest payment costs in 1982 amounted to £3.9m. Over the year, closures and sales of subsidiaries trimmed the group's workforce by over 1,000 to 2,600.

The refinancing package will trim nominal debt to about £18m, and interest repayment costs in 1983 are expected to fall to £2.4m.

# Dominion in £6.2m rights issue

By Dominic Lawson

DOMINION INTERNATIONAL, the property, financial services and natural resources group, has launched a £6.2m rights issue. Mr Max Lewinsohn, the chairman, said yesterday: "This is a good time to strengthen our capital base for the next phase of growth."

The rights issue comes two months after Dominion (formerly Dundonian) announced record interim pre-tax profits of £1.54m. No profit forecast is being made, but the company intends to pay a maintained 2p final net dividend per ordinary share on the increased capital.

The company, which describes current performance as "encouraging", says that its growth has been largely funded internally. Bank borrowings have also been used, but despite substantial unused facilities, the company considers that it is now prudent to strengthen the capital base.

Mr Lewinsohn said yesterday: "we intend to apply the rights issue money to all three parts of the group. As regards acquisitions, we have been looking around, but there is nothing firm in view. We do not intend to move into business outside our existing base."

The rights issue is on the basis of two new ordinary shares for every five ordinary shares and/or five new ordinary shares for every six £1 preference shares held. The rights offered to preference shareholders are equivalent to the rights offered to ordinary shareholders, taking account of the terms on which preference shares convert into ordinary shares.

Dealings in the new ordinary shares, nil paid, are expected to begin this Friday.

# Grand Met reveals £315,000 salaries of two employees

BY OUR FINANCIAL STAFF

GRAND METROPOLITAN, the hotel, drinks and leisure group, paid between £315,000 and £320,000 to two of its employees in the UK last year, according to the latest report and accounts, published yesterday.

The highest paid director of the group, by comparison, received £82,578, excluding pension contribution, while Sir Maxwell Joseph, chairman of Grand Metropolitan who died last year, received £32,518.

Grand Metropolitan declined yesterday to discuss the £315,000-plus pay to the two employees. "It is a private matter between the individuals and the company and we do not want to comment."

Meanwhile, in his first report as chairman of Grand Metropolitan, Mr Stanley Grinstead said there were still few signs of improvement in the markets in which the group traded, but when conditions picked up, "we shall be ready."

He told shareholders that Grand Metropolitan was a coherent group of activities positioned, by and large, close to the markets which it served. The group possessed a good mix of products and services which comprised, in both categories, a portfolio of well-established brands.

"These factors, taken in conjunction with our vastly improved geographic balance, suggest that we will continue to cope with the depressed environments which doggedly persist in this country and the United States," the chairman said.

A major preoccupation of management during the last year was the integration of the original hotel chain into Inter-Continental, Mr Grinstead said. Although further action was needed to reshape the hotels portfolio, a firm base for progress had been established.

There was much less dependence on tourism in London and the group was better placed to serve the international business market. The benefit of this change, and the opportunity to develop into related activities such as teleconferencing, would gradually show through into profitability in the years ahead.

Inter-Continental runs 108 hotels in 50 countries, and more are under construction.

In the year ended, the group recorded sales of £3.85bn (compared with £3.22bn) and a trading profit of £354.8m (£276.6m), geographically split: UK and Ireland £2.63bn (£2.35bn) and £212.9m (£173.8m); Europe £193.7m (£144.3m) and £17.6m (£13.6m); North America £833.7m (£602.7m) and £93.5m (£79.8m); Africa and Middle East £153.8m (£99m) and £19.1m (£8.4m); Rest of World £37m (£22m) and £6.7m (£1m).

As was reported earlier, group profit before tax came out at £220.2m (£186.6m) and the dividend was raised to 8.375p (7.425p).

# Crest International in new bid talks

BY CHARLES BATCHELOR

CREST International Securities, the property group, has begun negotiations which could lead to an offer for the whole of its share capital.

This comes only seven months after Crest and Howard Tenens, the distribution and engineering company, broke off the discussion of a proposed bid from Tenens.

Crest said yesterday that a further announcement would be made

Its shares rose 1½p to 14p valuing the company at £4.85m. Crest is quoted on the Unlisted Securities Market.

Last week it reported a rise in pre-tax profits to £626,773 in 1982 from £606,898 and an increase in the dividend to 0.3p per 10p share from 0.25p.

# Investigation into securities dealer

BY ROSEMARY BURR

LANGFORD, Scott & Partner, a small licensed dealer in securities, has ceased trading. The Department of Trade is understood to be looking into the firm's affairs.

Mr David Langford, who ran the London investment advisory service, has been missing from the office for a week.

Langford, Scott and Partner was set up in 1977 and received a licence from the Department of Trade to deal in securities in 1980. This licence was renewed only last November.

The firm was a member of the National Association of Security Dealers and Investment Managers (Nasdim), which is hoping to become a fully fledged self-regulatory agency for investment advisers but so far has no full-time staff.

Just before Christmas Nasdim wrote to Mr Langford but did not receive a reply. Nasdim's inquiry centred on Quane Investments, a licensed dealer formerly run by Mr Langford and then in liquidation.

Apart from offering investment management advice, Langford ran traded options discretionary accounts. The latest available figures show that the firm's turnover last year was in the region of £20,000.

The Department of Trade was due to introduce tough new rules on licensed dealers in securities last month, but opposition from professional financial bodies has forced them to revise these plans.

The rules, which will probably emerge in a few weeks time, will insist that licensed dealers take out insurance to provide some measure of cover in the event of financial failure. They will also include the requirement that clients' funds are separated from those of the dealer. In addition the department will monitor dealers' activities more frequently and more closely.

Mr Robin Hodgson, chairman of Nasdim, which has 170 members, said the Langford case underlined the need for a compensation fund for clients of failed licensed dealers. Mr Hodgson said he hoped Nasdim would shortly develop a rule book, establish disciplinary procedures and arrange a comprehensive umbrella insurance policy giving professional indemnity and fidelity cover to its members.

An initial step towards developing a more active association was taken a few weeks ago when Nasdim appointed its first chief executive, who will start working full-time later this year.

# FT COMMERCIAL LAW REPORTS

## Minister not bound by Commission's report

REGINA v SECRETARY OF STATE OF TRADE AND OTHERS, EX PARTE ANDERSON STRATHCLYDE PLC
Queen's Bench Division, Crown Office List. (Lord Justice Dunn and Mr Justice McCullough): February 3 1983

**THE MINISTER for Trade has power to act on behalf of the Secretary of State for Trade in deciding whether a company merger should proceed after the Monopolies and Mergers Commission has reported that it might be against the public interest; and in coming to his decision the Minister is not bound to adopt the Commission's majority view, but is entitled to take the view of the minority and other persons into account.**

The Divisional Court so held when refusing an application by Anderson Strathclyde PLC for orders of certiorari and mandamus respectively to quash a decision by the Minister for Trade to allow a merger between Anderson and Charter Consolidated PLC to proceed, and requiring the Secretary of State to consider a report of the Monopolies and Mergers Commission recommending that the merger should not take place.

* * *

LORD JUSTICE DUNN said that Charter held 28.4 per cent of the equity in Anderson. It informed Anderson that it intended to make a bid for the remaining shares. Anderson decided to reject Charter's proposal.

The value of the assets to be taken over exceeded £15m and on June 2 1982 the Secretary of State for Trade, in the exercise of powers under section 75 of the Fair Trading Act 1973, referred the matter to the Monopolies and Mergers Commission for investigation.

The Commission, which sat in a group of six, took evidence from numerous witnesses. By a majority of four it was against the merger. It concluded that it might have an adverse effect on Anderson's management effectiveness and labour relations, and that it would tend to diminish competition.

As the adverse effects of the merger were not set off by advantages, the majority considered that it might operate against the public interest, and recommended that it should not be permitted.

A minority of two, including the Commission's chairman, signed a statement of dissent saying that in their judgment the evidence did not justify such a conclusion.

The Minister for Trade decided that the proposed merger should be allowed to go ahead.

In the present application, Mr Jack, one of Anderson's counsel, submitted that the Secretary of State had wrongly divested himself of his function under section 73 of the Fair Trading Act, and had purported to transfer it to the Minister. He said that the Minister's decision was not the decision of the Secretary of State and was null and void.

Mr Brown, for the Minister and the Secretary of State, admitted that the Secretary of State had disqualified himself from personally taking the decision, because he had a small shareholding in Charter. He had concluded that it was in accordance with the recognised proprieties for the decision to be taken by the Minister.

The evidence in support of Mr Jack's submission was contained in certain statements made by Ministers in both Houses of Parliament and reported in Hansard. The question was whether the court could refer to Hansard so that Mr Jack could make good his submission.

In *Church of Scientology v Johnson-Smith [1972] 1 QB 522* Mr Justice Browne excluded extracts from Hansard from the evidence. He said that "what is said in the House . . . cannot be examined outside Parliament for the purpose of supporting a cause of action, even though the cause of action itself arises out of something done outside the House."

*

Article 9 of the Bill of Rights 1688 provided that "proceedings in Parliament ought not to be questioned in any court" and Blackstone *(Commentaries, 17th ed 1830 Vol II p 163)* said that anything arising concerning the House ought to be examined, discussed, and adjudged in that House and not elsewhere.

There was no distinction between using a Hansard report for the purpose of supporting a cause of action arising from something which occurred outside the House, and using it to support an application for judicial review in respect of something which occurred outside the House.

In both cases the court would have to consider statements made in the House, with a view to determining their true meaning and the proper inferences to be drawn from them. That would be contrary to article 9 of the Bill of Rights, and would be doing what Blackstone said was not to be done. Moreover, it would be an invasion by the court of the right of members of Parliament to free speech in the House.

On those grounds Mr Jack's application to refer to Hansard was refused. He therefore had no factual basis on which to support his submission.

Mr Swift, leading counsel for Anderson, submitted that on the true construction of the Fair Trading Act, if the majority of the Commission concluded that a merger might operate against the public interest, and if it specified in its report the particular effects which would be adverse to the public interest, then the Secretary of State was bound by that conclusion.

*

That submission could not be accepted. Section 73(2) of the Act provided that "the Secretary of State may by order exercise such powers as he may consider requisite" to remedy adverse effects specified in the report. Section 73(3) provided that "in determining whether, or to what extent or in what manner" he should exercise those powers, he should "take into account any recommendations" in the report.

Those words indicated that the Secretary of State had complete discretion whether to make any order or to make no order at all.

Mr Swift's construction would give power to the majority of the Commission to decide whether a merger situation was adverse to the public interest. That was inconsistent with the provision in section 82(3) that a "note of dissent" should be included in the report, indicating that the Secretary of State was entitled to take into account the whole report, including the statement of dissent.

It was also inconsistent with the duty placed on the Secretary of State under section 86(1), to take account of the advice of the Director-General of Fair Trading; and with his duty under section 91(2) to consider representations made by "any person whose interests are likely to be affected," before making his order.

*

The Act, read as a whole, showed that the Secretary of State was not bound by the conclusions of the majority of the Commission; that he had a wide discretion in deciding whether to make an order at all; and that in exercising his discretion he was entitled to take into account all the relevant circumstances, and to consider the opinion of the minority, as well as representations and advice from persons other than members of the Commission.

It was a matter for the Minister, in his unfettered discretion, to choose between the views of the majority and the minority. He preferred the view of the minority. Whether he was right or wrong was a matter of fact and degree, and not a matter of law.

The court's sole function was to consider whether the Minister, in refusing to stop the merger, acted lawfully. That involved answering two questions only: (1) Did the Minister have power under the 1973 Act to take the course he did? He did have that power. (2) In exercising the power did he take into consideration any matter which he should not have done? He did not. Accordingly, the application must be dismissed.

Mr Justice McCullough agreed.

*For Anderson: J. A. Swift QC, R. E. Jack QC and R. N. Fowler (Clifford-Turner).*

*For the Secretary of State and the Minister: Simon D. Brown (Treasury Solicitor).*

*For Charter: R. C. Southwell QC and P. Roth (Linklaters and Paines).*

By Rachel Davies
Barrister

## RESULTS IN BRIEF

**■ TRIPLEX FOUNDRIES GROUP**
*Foundry component supplier*

| Half-year to Sept 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 15.42m | 16.6m |
| Pre-tax profit | 781,000* | 371,000* |
| Tax | — | — |
| Attributable profit | — | — |
| Earnings per share | — | — |
| Dividend | — | — |

* Loss

**■ CAMFORD ENGINEERING**
*Motor industry supplier*

| Year to Sept 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 38.66m | 38.44m |
| Pre-tax profit | 733,000* | 1.46m* |
| Tax | — | 20,000† |
| Attributable profit | — — | — — |
| Earnings per share | 3.72p* | 7.79p* |
| Dividend | — — | — — |

* Loss
† Credit

**■ LADIES PRIDE**
*Clothing manufacturer*

| Year to Nov 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 8.4m | 7.19m |
| Pre-tax profit | 313,000 | 623,000 |
| Tax | 108,000 | 114,000 |
| Attributable profit | 205,000 | 509,000 |
| Earnings per share | 2.41p | 6.17p |
| Dividend | 3.4p | 2.4p |

**■ STOCKLAKE HOLDINGS**

| Half-year to Sept 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 13.86m | 17.22m |
| Pre-tax profit | 1.93m | 2.29m |
| Tax | 1m | 1.15m |
| Attributable profit | 930,000 | 1.14m |
| Earnings per share | 22p | 27p |
| Dividend | 3p | 3p |

**■ CREST NICHOLSON**
*Property, marine supplies and optical goods*

| Year to Oct 31 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 56.86m | 54.07m |
| Pre-tax profit | 6.72m | 8.32m |
| Tax | 2.5m | 2.7m |
| Attributable profit | 4.2m | 3.47m |
| Earnings per share | 10.15p | 8.76p |
| Dividend | 1.9p | 1.7p |

**■ CANTORS**
*House furnishings retailer*

| Half-year to Oct 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 9.96m | 10.08m |
| Pre-tax profit | 104,000 | 147,000* |
| Tax | | |
| Attributable profit | — | — |
| Earnings per share | 1.47p | 2.22p* |
| Dividend | — | |

*Loss

**■ SELECTV**
*Cable TV operator*

| Half-year to Sept 30 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Sales | 97,000 | — |
| Pre-tax profit | 210,000 | 110,000 |
| Tax | — | — |
| Attributable profit | 210,000 | 110,000 |
| Earnings per share | — | — |
| Dividend | — | — |

* Loss

**■ CRESCENT JAPAN**
*Investment Trust*

| Year to Dec 31 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Pre-tax revenue | 239,000 | 216,000 |
| Tax | 124,000 | 106,000 |
| Dividend | 1.5p | 1.5p |
| NAV per share | 421.4p | 350.2p |

**■ OSPREY ASSETS**
*Investment trust*

| Half-year to Dec 31 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Pre-tax revenue | 41,608 | 32,822 |
| Tax | 17,573 | 12,347 |
| Dividend | 0.5p | 0.5p |
| NAV per share | 31.94p | 29.68p |

**■ GENERAL FUNDS**
*Investment trust*

| Year to Jan 15 | 1982 | 1981 |
|---|---|---|
| | £ | £ |
| Pre-tax revenue | – | – |
| Tax | – | – |
| Dividend | 8.25p | 8.00p |
| NAV per share | 471.21p | 379.85p |



## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 11 % | ■ Hambros Bank | 11 % |
| Allied Irish Bank | 11 % | Hargrave Secs. Ltd. | 11 % |
| Amro Bank | 11 % | Heritable & Gen. Trust | 11 % |
| Henry Ansbacher | 11 % | ■ Hill Samuel | §11 % |
| Arbuthnot Latham | 11 % | C. Hoare & Co. | †11 % |
| Armco Trust Ltd. | 11 % | Hongkong & Shanghai | 11 % |
| Associated Cap. Corp. | 11 % | Kingsnorth Trust Ltd. | 12 % |
| Banco de Bilbao | 11 % | Knowsley & Co. Ltd. | 11½% |
| Bank Hapoalim BM | 11 % | Lloyds Bank | 11 % |
| BCCI | 11 % | Mallinhall Limited | 11 % |
| Bank of Ireland | 11 % | Edward Manson & Co. | 12 % |
| Bank Leumi (UK) plc | 11 % | Midland Bank | 11 % |
| Bank of Cyprus | 11 % | ■ Morgan Grenfell | 11 % |
| Bank Street Sec. Ltd. | 10½% | National Westminster | 11 % |
| Banque Belge Ltd. | 11 % | Norwich Gen. Tst. | 11 % |
| Banque du Rhone | 12 % | P. S. Refson & Co. | 11 % |
| Barclays Bank | 11 % | Royal Trust Co. Canada | 11 % |
| Beneficial Trust Ltd. | 12 % | Roxburghe Guarantee | 11½% |
| Bremar Holdings Ltd. | 12 % | Slavenburg's Bank | 11 % |
| Brit. Bank of Mid. East | 11 % | Standard Chartered | ‖11 % |
| ■ Brown Shipley | 11 % | Trade Dev. Bank | 11 % |
| Canada Perm't Trust | 11½% | Trustee Savings Bank | 11 % |
| Castle Court Trust Ltd. | 11½% | TCB | 11 % |
| Cayzer Ltd. | 11 % | United Bank of Kuwait | 11 % |
| Cedar Holdings | 11 % | Volkskas Intl. Ltd. | 11 % |
| ■ Charterhouse Japhet | 11 % | Westpac Banking Corp. | 11 % |
| Choulartons | 11½% | Whiteaway Laidlaw | 11½% |
| Citibank Savings | ¶ 9 % | Williams & Glyn's | 11 % |
| Clydesdale Bank | 11 % | Wintrust Secs. Ltd. | 11 % |
| C. E. Coates | 12 % | Yorkshire Bank | 11 % |
| Comm. Bk. of N. East | 11 % | | |
| Consolidated Credits | 11 % | | |
| Co-operative Bank | *11 % | | |
| The Cyprus Popular Bk | 11 % | | |
| Duncan Lawrie | 11 % | | |
| E. T. Trust | 11 % | | |
| Exeter Trust Ltd. | 12 % | | |
| First Nat. Fin. Corp. | 13½% | | |
| First Nat. Secs. Ltd. | 13 % | | |
| Robert Fraser | 12 % | | |
| Grindlays Bank | ‡11 % | | |
| ■ Guinness Mahon | 11 % | | |
| Gulf G'tee Trust Ltd. | 12 % | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of under £10,000 8%. £10,000 up to £50,000 8¾%. £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8½%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 8%.
¶ Mortgage base rate.

# Asarco hopeful after worst year ever

BY GEORGE MILLING-STANLEY

LAST YEAR's low prices for copper, lead and zinc gave Asarco, the largest smelter of non-ferrous metals in the U.S., the worst year in its history, according to Mr Ralph Hennebach, chairman.

He said metal prices had begun to improve, but, with the sole exception of silver, all the metals produced by Asarco were still at uneconomic levels.

However, Mr Hennebach concluded his remarks by saying that he was encouraged by some recent signs of improvement in those sectors of the economy which most affect the company. These signs include upturns in housing starts, motor vehicle production and orders for durable goods.

Asarco reported a loss for the year of $38.7m (£25.3m) before extraordinary items, compared with a profit in 1981 of $50m.

The extraordinary items comprised a $38.8m loss on the write-off in the third quarter and sale in the fourth quarter of Asarco's holding in Revere Copper and Brass, and a gain of $3.4m from the issue of stock to redeem debt in the fourth quarter.

The net deficit of $35.4m produced a final net loss of $74.1m, or $3.88 a share.

The fourth quarter of the year gave an operating loss of $6.8m, against profits of $15.3m, but financial items gave rise to a net profit for the three months of $8.9m.

Fourth-quarter and full-year results also reflect a one-off charge of $11m for the estimated cost of closing two metal recycling plants of Federated Metals Corporation and an asbestos-cement pipe manufacturing plant of Capco Pipe Company, both wholly owned subsidiaries of Asarco, and the liquidation of the company's 80 per cent interest in Sunworks, which makes solar energy collectors.

Average prices for Asarco's main metals were all lower last year than in 1981. Copper averaged 72.6 cents a pound, down from 83.7 cents, lead was 25.5 cents against 36.5 cent and zinc 38.5 cents compared with 44.6 cents.

# Homestake stages a recovery

By Our Mining Staff

THE UNEXPECTEDLY strong performance of precious metal prices during the final quarter of last year has helped Homestake Mining of the U.S. to turn in net profits for the 12 months of $17.3m.

While this performance represents a substantial decline from 1981's profit of $28.8m, it is nevertheless a considerable recovery from the profits of just $6.9m for the first nine months of the year.

Earnings are shown at 51 cents a share, compared with 84 cents last time. The previous year's figure has been restated to reflect the forthcoming two-for-one stock split.

Mr Harry Conger, chairman and chief executive, said yesterday that the company decided on the stock split because he likes to keep the shares within a trading range of $25 to $35, in order to increase marketability.

Homestake has also continued its fund raising programme and has already sold almost two-thirds of an issue of 1.5m new shares

# South African currency move aids arbitrage with Cape

BY KENNETH MARSTON

ONE of the many side-effects of South Africa's change from a dual exchange rate to a single rate for its currency is that it has stimulated arbitrage activity between Johannesburg and other world financial centres.

In essence, arbitrage consists of buying a given share cheaply in one centre, say New York, and selling it at a higher price in, say London. By taking advantage of the price discrepancies which inevitably arise between the centres, the arbitrage dealer helps to keep international prices much in line.

But there are less risky ways of making a living. During the course of his transaction, the arbitrageur has to face the possibility of the shares suddenly falling in the second centre, either as a result of exchange rate movements, or of other influences which could affect the price.

Under South Africa's previous dual exchange rate system there was an additional risk; this was the fluctuating discount on the value of the country's "official" commercial rand and the financial rand which was used for share purchases by non-South African residents.

South African Golds posted some of their biggest-ever one-day gains in London yesterday as a wave of Johannesburg inspired buying interest boosted leading heavyweights by up to £6 per share. The buying followed Monday's stockmarket shake-out in the wake of the lifting of South African exchange controls on non-residents. The Gold Mines index jumped 37 points to a record 712.0. Market reports, Page 25.

Assuming the arbitrageur could see a profit in buying, say, De Beers in London and selling them to Johannesburg, he would receive the proceeds in the form of the cheaper financial rands. The latter would then have to be sold in London for sterling at a rate which could fluctuate quite sharply.

Alternatively he could use the financial rand proceeds to purchase another share in Johannesburg and sell it at a higher price in London. Far more complicated transactions were, and still are, possible.

But fluctuations in exchange rates had to be taken into account, not only between the two centres, but also between the two South African currencies.

Things are simpler now that there is only one South African currency, especially because this is likely to command a more stable exchange rate than the financial rand, a pool of which was subject to the fluctuations of a separate market.

It is also understood that when South Africa abolished the dual exchange rate at the weekend, the country's Reserve Bank also permitted forward dealings in rands, thus giving the arbitrageurs the opportunity of hedging against adverse movements in the currency.

These factors may well have come into play on Monday when increased arbitrage business will have accounted for part of the record turnover of about R100m-worth of shares in Johannesburg.

# Access displays 30% improvement in 1982

BY ALAN FRIEDMAN

THE 1982 turnover for Access, the credit card company which is owned jointly by all the major clearing banks, except Barclays Bank, showed a 30 per cent increase to £2.4bn.

The latest figures from Access also show that new cardholders joined at the rate of 62,000 a month last year, bringing the total number at year-end to 6.06m. This compares with a Barclaycard-Visa total of 6.62m at year-end.

Access says the number of women cardholders is growing at a faster rate than that of men, increasing in proportion from 27 per cent of all cardholders in 1974 to 40 per cent, as of last year.

Mr David Russell, Access chief executive, also said yesterday the frequency of use had increased steadily in recent years. Last year cardholders used Access 24.6 times on average, or approximately twice a month. This compares with a usage rate of 19 times a year in 1979, 21.1 times in 1980 and 22.1 times in 1981.

At year-end, over £1bn was outstanding from Access cardholders, of which £847m was interest bearing. Average merchant service charges, meanwhile, were down slightly from 2.42 per cent per purchase in 1981, to a level of 3.33 per cent last year.

Mr Russell said fraud continued to be of great concern and was "far too high" last year. Access lost £4.8m because of fraudulent dealings, which compares with a £7m fraud loss last year for Barclaycard-Visa.

## LONDON RECENT ISSUES

### EQUITIES

| Issue price | Amount paid up | Latest Renunc. date | 1982/3 High | 1982/3 Low | Stock | Closing price | + or − | Net Div. | Times Covered | Gross Yield | P.E. Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ‡108 | F.P | 13/1 | 210 | 140 | ✠Baltic Leasing 5p | 210 | −6 | b2.8 | 3.5 | 1.9 | 16.6 |
| | F.P | – | 16½ | 12 | ✠Booth (Charles) 5p | 16½ | −½ | | | | |
| ‡100 | F.P | 22/4 | 105 | 100 | Gr. Kidney Pat. As. | 105 | | | | | |
| ‡74 | F.P. | 21/1 | 158 | 105 | ✠Canvermoor | 146 | 1 | b5.64 | 2.0 | 3.6 | 18.8 |
| ‡17 | F.P. | 21/1 | 55 | 24 | ✠Inn Leisure 5p | 34 | | ud.42 | 5.7 | 1.8 | 11.8 |
| ‡150 | F.P | 14/1 | 190 | 155 | ✠Memory Comp Ir 10p | 183 | | bQ26.6† | 3.6 | 1.3 | 19.9 |
| 190 | F.P. | 4/3 | 388 | 350 | ✠Microgen | 555 | +15 | b4.0 | 2.9 | 1.6 | 27.6 |
| ‡155 | F.P. | 7/1 | 255 | 200 | ✠Munford & White | 220 | −2 | b2.8 | 2.4 | 1.7 | 34.8 |
| ‡95 | F.P. | 4/2 | 198 | 145 | ✠Resource Tech. 10p | 167 | −3 | | | | 32.1 |
| 120 | F.P. | – | 125 | 105 | ✠Swindon Priv Hos £1 | 105 | | | | | |
| ‡101½ | F.P. | – | 76 | 18 | ✠Tops Estates 10p | 64 | +4 | | | | |
| ‡150 | F.P. | 18/2 | 340 | 265 | ✠WightCollinsR S10p | 277 | −3 | bd2.75 | 3.3 | 1.4 | 30.9 |
| .. | F.P. | 3/3 | 25 | 22 | Yorks & Lancs. W'rrnts | 22 | −1 | | | | |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1982/3 High | 1982/3 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| ** | F.P. | | 90 | 88 | Anglo Nordic 10% Cnv. Uns. Ln. 1989 | 88 | −2 |
| 97.504 | £25 | 4/3 | 29½ | 15¾ | BOC 12¼% Uns. Ln. 2012 17 | 18½ | +1 |
| 98.451 | £20 | 10/4 | 21¼ | 13 | Birmingham 11½% Red. 2012 | 13¼ | +¼ |
| ** | £10 | 24/3 | 11½ | 11 | East Surrey Water 7% Red. Pref. 1988 | 11 | |
| ** | F.P. | | 150 | 86 | European Inv. Bk. 11% Ln. 2002 | 87½ | −1½ |
| – | .. | | 99¼ | 99 | Nationwide Bdg. Soc. 11¼% Bds. 23/1/84 | 99⅞ | +⅛ |
| | | | 100 | 100 | Do. 11¼% Bds. 15/2/84 | 100 | |
| ‡97.174 | £25 | 6/5 | 24½ | 22 | Pearson (S) 15% Uns. Ln. 2007 | 24¼ | +¼ |
| 96.55 | £25 | 8/7 | 25¾ | 23½ | Sweden 13½% Ln. Stk. 2010 | 25¾ | +1 |
| ** | F.P. | 18/3 | 90 | 85 | Transcont. 9% Cnv. Ret. Uns. Ln. Nts. 1993 | 88 | |

### "RIGHTS" OFFERS

| Issue price | Amount paid up | Latest Renunc. date ● | Latest Renunc. date ■ | 1982/3 High | 1982/3 Low | Stock | Closing price | + or − |
|---|---|---|---|---|---|---|---|---|
| 250 | Nil | 26/2 | 28/4 | 25pm | 25pm | AGB Research 10p | 25pm | |
| 26 | F.P. | 28/1 | 18/2 | 370 | 94 | Arlen Elec. | 360 | 10 |
| 90 | F.P. | 28/1 | 18/2 | 128 | 109 | Bellway | 121 | −1 |
| 50 | F.P. | 8/2 | 9/3 | 55 | 45 | Cluff Oil 'B' | 45 | −5 |
| 80 | Nil | 21/2 | 7/4 | 54pm | 40pm | Grosvenor Group | 40pm | −3 |
| 60 | F.P. | 14/1 | 11/2 | 76 | 65 | ICL | 74 | +1 |
| 48 | Nil | 14/2 | 11/3 | 14pm | 5pm | LCP | 14pm | +3 |
| 27 | Nil | 21/1 | 7/4 | 5½pm | 5pm | Mount Charlotte 10p | 5pm | |
| 93 | F.P. | 7/2 | 21/3 | 120 | 106 | NSS News 10p | 120 | +2 |
| 58 | F.P. | 3/2 | 29/4 | 68 | 61 | Stakis 10p | 68 | +? |
| 470 | F.P. | 11/1 | 11/2 | 610 | 523 | Wolseley Hughes | 610 | |

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

# UK COMPANY NEWS

## BAe 146 cleared for delivery to airlines

BY MICHAEL DONNE AEROSPACE CORRESPONDENT

THE BRITISH AEROSPACE 146 four-engined, regional jet airliner has been awarded its Certificate of Airworthiness by the Civil Aviation Authority, clearing the way for deliveries to airlines.

The Certificate was handed over at BAe's Hatfield, Hertfordshire, airfield by Mr John Dent, chairman of the CAA, to Mr Michael Goldsmith, managing director of the BAe Hatfield-Chester Division which builds the 146.

British Aerospace is spending up to £350m of its won money on developing the 146, of which over £250m has been spent to date, covering research, design, development, and initial production.

So far, Bae has won orders for 14 aircraft, with another 16 on option. The first customer will be Dan-Air, the UK independent airline. It has ordered two aircraft and expects to take delivery early this summer.

The 146 is designed for short-to-medium range regional or "commuter" operations, carrying between about 80 and 100 passengers.

Following delivery to Dan-Air, deliveries will start to Air Wisconsin, a U.S. airline, which has ordered four aircarft with four more on option.

The 146 is significant in terms of airworthiness, in that it is the first aircraft to be given a certificate under the European-U.S. Joint Airworthiness Requirements.

This is the code which has been worked out together with the leading airworthiness authorities in the UK, U.S. and Western Europe, whereby common standards are established, thereby substantially easing the certification of any aircraft in all the countries involved.

A 146 airliner left Hatfield last weekend on an extensive sales and demonstration tour of African countries in a bid to win new orders. This follows the recent 60,000 miles sales tour of the Middle and Far East, South East Asia and Australasia.

Production of the 146 at Hatfield and Chester is currently building up to a rate of one aircraft a month, but, subject to the inflow of orders, it is planned to increase this to two a month by next year, and further to three a month thereafter.

● Dan-Air, the independent airline which was recently awarded the Inverness-London (Heathrow) air service to be dropped by British Airways, has asked Mr Iain Sproat, the Aviation Minister, to help it obtain the necessary "landing slot" at Heathrow.

Dan-Air wants to fly into Heathrow daily from March 27 at around 9 am, to provide its passengers with a peak-hour service to London. This was the basis of its successful application to the Civil Aviation Authority for the licence.

Now however, it has been told by the Heathrow Airlines Scheduling Committee – the body of airline representatives which allocates landing times to all the airlines using that airport – that the earliest "slot" available is about 11.15 am.

This, Dan-Air says, is too late to enable it to offer the kind of service to its passengers it wants to offer, and which was the basis of its licence application.

The decision has upset Dan-Air, especially since it appears that neither the CAA, which awarded the licence, nor the British Airports Authority, which runs Heathrow, are able to influence the Scheduling Committee in such matters as allocating landing slots.

Dan-Air says it cannot implement the service until suitable timings are made available at Heathrow. In a bid to settle the matter, it has asked the Aviation Minister to intervene. A number of Scottish MPs are also campaigning in favour of Dan-Air.

## UK truck sales show recovery

By Kenneth Gooding

THE tentative recovery in the UK in sales of trucks and articulated lorries over 3.5 tonnes gross weight continued last month with registrations up nearly 9 per cent from 2,401 in January 1982 to 2,705.

Leyland, the BL subsidiary which was locked in a strike over its rationalisation programme in January last year, saw sales soar 62.5 per cent, from 399 to 551.

One of its main importer rivals, Mercedes-Benz, pushed up registrations 52 per cent, however, from 276 to 420.

Overall, commercial vehicle registrations were 6 per cent higher last month compared with January 1982 at 22,383. Last month importers took 34 per cent of the market against 28.9 per cent in the same month last year.

Sales of Britain's best-selling commercial vehicle, the Ford Transit van, fell nearly 50 per cent last month, compared with January 1982, and caused a considerable distortion to the month's overall registration statistics.

In January last year a major sales incentive scheme for the Transit ended and its share of the medium and heavy van sector – the biggest in the commercial vehicle market – jumped to 54 per cent. The following month it returned to a more normal 24 per cent.

The vast difference in Transit registrations last month, when they were down from 7,058 in January 1982 to 3,566, caused a 16 per cent fall in the total medium and heavy van sector. Registrations were down from 11,323 to 9,495, according to statistics from the Society of Motor Manufacturers and Traders.

In contrast with the medium and heavy van sector, light van sales last month bounded ahead by 63.57 per cent from the January 1982 level and were up from 4,815 to 7,876.

This is not surprising as the exceptionally bad weather in January last year encouraged customers to hold off taking delivery of these car-derived vehicles.

## Toolmakers move to halt dumping

By David Churchill

BRITISH manufacturers of hand tools – such as hammers, pliers, and screwdrivers – have criticised foreign imports which, they claim, are being dumped onto the UK market.

The manufacturers, members of the Federation of British Hand Tool Manufacturers, have launched a special promotional campaign to help encourage consumers to buy British.

The campaign includes a special oak leaf symbol on all British-made hand tools. The federation said that this symbol would not only "positively identify hand tools made in Britain" but also "highlight elements of unfair trading which threaten the industry."

## Heiton Holdings in red at half-year

BY OUR FINANCIAL STAFF

FOR THE six months ended October 31, 1982 Dublin-based Heiton Holdings plunged I£1.09m into the red at the pretax level, which compares with a profit of I£144,000 for the same period last year and a loss of I£396,000 for the first half of 1980–81.

Loss per 25p share emerged at 9.02p, against previous earnings of 1.12p, and the dividend for the half year is being omitted – last year an interim of 0.5p was followed by a final of 0.6p from taxable profits of I£265,000 (I£296,000 deficit).

In their interim report the directors say the reduction in turnover (it was I£2.3m down at I£13.91m after six months) reflects a "much deeper recession than could have been anticipated." The group carries on business mainly as a fuel merchant, builders' provider and wholesale distributor.

The directors add that the decline in activity resulted in pressure on margins and necessitated further rationalisation within the group – the loss for the half year included redundancy payments amounting to £371,000.

It is pointed out that in an associate company fuel sales were unusually low during the summer mooths. However, they have recovered well since October although Home Grown Timber is continuing to experience "very difficult trading conditions."

There was a tax credit this time of £189,000, compared with a previous charge of £28,000.

# APPOINTMENTS

INTERNATIONAL

## Executive changes at Texaco Inc

● TEXACO INC has elected Mr William S. Barrack, Jr, and Mr Robert R. McCall senior vice-presidents. Mr Barrack will continue as president of the Texaco oil trading and supply division, and will have other responsibilities concerned with worldwide supply and distribution. Mr McCall has also been named to the new position of executive vice-president of Texaco U.S. Mr Barrack will continue to be based at Texaco Inc's New York office, and Mr McCall will continue to be based at Texaco U.S.'s headquarters in Houston.

● UNDERWRITERS MARINE SERVICES, INC, New Orleans, has appointed Mr Gregory L. Sterck as president and Ms Barbara A. Meche as vice president.

● Mr Thomas G. O'Leary has been named system director-public affairs at PAN AMERICAN WORLD AIRWAYS. Formerly system director-commuter services, in his new position Mr O'Leary will serve as the company's liaison with state and local governments. He will continue to assist in the development of commuter and interline arrangements with other carriers and will retain his position as vice-president-commuter development of Pan Am World Services, a wholly-owned subsidiary. He will be based in New York.

● MARDON PACKAGING INTERNATIONAL has made the following appointments with its overseas divisions. At Mardon Printers (Pvt)—Zimbabwe, Mr N. E. F. Hill will relinquish his appointment as managing director on March 31 upon his retirement. Mr T. S. B. Kennedy will succeed him managing director. Mr F. Zingani, alternate director and company secretary, has been appointed to the board.

Professor D. H. Thain has been appointed chairman of Lawson and Jones, Canada. Mr Ross C. Imrie has resigned as chairman and as a director of Lawson and Jones but retains his appointment as division manager—forms. Mr M. J. Piton, vice-president, packaging division, was appointed a director of Lawson and Jones. Mr A. M. MacIntosh, director and corporate secretary, has retired. Mr R. B. Steedman, vice-president, finance and chief financial officer, was additionally appointed corporate secretary.

Mr Lamar Hartline has been appointed chief operating officer and executive vice-president of Boyertown Packaging Corpn, Pennsylvania.

● Following the completion of WEATHERFIELD INTERNATIONAL'S reorganisation two new world-wide business groups have been created, Weatherfield Oilfield Products and Equipment and Weatherfield Oilfield Services and Rentals. As a result the following personnel changes have occured: Mr Fritz H. Langer has become group president of Oilfield Products and Equipment. He will continue as a senior vice-president and director of Weatherford International. Mr Kurt K. Bushatt was named group president of Oilfield Services and Rentals. He is a vice-president of Weatherford International. Mr Barry W. Clement was named to the new position of senior vice-president, corporate development of Weatherford International.

● TEMPLE BARKER & SLOANE INC has elected three new principals: Mr Eric L. Almquist, Mr Michael L. Lovdal; and Mr Jewell G. Westerman. Mr Almquist is a marketing research specialist with Decision Research Corp, a subsidiary of Temple Barker & Sloane. Mr Lovdal specialises in business strategy, corporate planning and management development and education. Mr Westerman directs the company's organisational analysis and productivity practice.

● Mr Richard L. Thomas, president and director of First Chicago Corp and its principal subsidiary, the First National Bank of Chicago, has been named by the CHICAGO MERCANTILE EXCHANGE as an industry member of the board of governors. He will serve a two year term.

## New chief for Wells Fargo Bank

● Mr Lewis W. Coleman an executive vice-president of WELLS FARGO BANK, has been named head of Wells Fargo international banking group. He is returning to the international group after serving as head of the personnel division since 1981. He succeeds Mr Carlos Rodriguez-Pastor, who left Wells-Fargo recently to become finance minister of Peru, his home country.

● Mr Jesse L. George, Jnr, has been elected chairman and president of DEMINEX U.S. OIL CORP., Dallas, a wholly-owned subsidiary of the West German group which comprises: Veba, Union Rheinische, Wintershall and Saarbergwerke. He succeeds Mr K. G. Wicker who returns to the Essen headquarters. Mr George joins Deminex from the Williams Exploration Company where he was president and chairman of the board.

● Mr Christian Excoffier has been appointed assistant general manager at ANCIENNE MUTUELLE REASSURANCE'S head office in Paris.

● WARNER COMMUNCATIONS INC, New York, has appointed Mr Robert W. Brodbeck and Mr Robert Michael Hayes assistant controllers. Mr Brodbeck will be responsible for planning and financial analysis. Mr Hayes will supervise financial reporting and special financial studies and products.

● Mr Michael L. Friedman, an investment banker, and Mr Nathan L. Norris, president of CRA Inc, have been elected to the board of BASIC RESOURCES CORP, New York. Mr Norris was also elected to the board of one of the company's subsidiaries, Ocean Thermal Corp.

● Mr Mark L. McConaghy, former Chief of Staff of the U.S. Congress' joint committee on taxation, has been named co-director—federal tax services for PRICE WATERHOUSE.

● John L. Ward Jr has been appointed vice-president, personnel, by COMMERCIAL UNION INSURANCE COMPANIES.

● Mr Gaige R. Paulsen has joined ASHLAND AUTOMATION SERVICES a division of Ashland Services Company, as director, telecommunications.

● Mr Irving G. Snyder, Jnr, executive vice-president operations, Dow Europe, has been made a vice-president of DOW CHEMICAL USA, director of research and development, and a member of the Dow Chemical U.S.A. board and its management committee. Mr William J. Neely, general manager of the Dow Louisiana division, will succeed Mr Snyder as executive vice-president of operations for Dow Europe and he will join the Dow Europe board.

● Mr R. K. Day has been appointed managing director of Turner and Newall subsidiary TURNALL HOLDINGS (PVT), Zimbabwe, from April 1. He is chief executive of T and N's subsidiary TAC Construction Materials.

● Mr Richard E. Horner, chairman and chief executive officer of E. F. Johnson, and Mr Robert A. Burgin, professional director and a member of the E. F. Johnson board, have been elected to the board of WESTERN UNION CORP, and its principal subsidiary, THE WESTERN UNION TELEGRAPH. E. F. Johnson was acquired by Western Union on November 30. Mr Horner has headed E. F. Johnson for the past 12 years. Prior to that, he was a senior vice-president and chief technical officer of the Northrop Corporation and served as Assistant Secretary of the Air Force for research and development. Mr Burgin was chairman and chief executive officer of Leaseway Transportation Corp. from January 1978 until September 1982.

● Mr Bodo Schwartz has been appointed managing director of CBS/FOX VIDEO (GERMANY). He joined the company a year ago as sales and marketing manager.

● SOLUS OCEAN SYSTEMS, a wholly-owned subsidiary of Enserch Company, has promoted Mr Fred Bigger to regional director — underwriter services — for its Europe/Africa/Middle East region.

● dRUSH WELLMAN INC., Ohio, has elected Mr Gerald C. McDonough, chairman and chief executive officer of Leaseway Transportation Corp., as a director to fill the unexpired term of the late Mr George F. Karch. Mr McDonough will also be nominated for a full three-year term as a director at the annual meeting on April 20.

## Chief finance officer at Firestone Tire

● Mr Robert Anderson has been named executive vice-president and chief financial officer for THE FIRESTONE TIRE AND RUBBER COMPANY of Ohio. He succeeds Mr Victor H Brown who has left to take a full-time position with the Financial Accounting Standards Board. Mr Anderson comes to Firestone from the Ford Motor Company where he has been president of the Ford Motor Land Development Corp. since 1978.

● Mr Jürgen Oekens has been appointed director of international marketing and sales of MATRA HARRIS SEMICONDUCTEURS in Nantes, France. He is responsible for all export sales and marketing of MHS products.

● Mr Jesse L. George Jr has been elected chairman and president of DEMINEX U.S. OIL CORP., Dallas, Texas. Deminex is a wholly-owned subsidiary of the West German group. He succeeds Mr K. G. Wicker who returns to the Essen headquarters of Deminex. Mr George joins Deminex from the Williams Exploration Co. where he was president and chairman of the board.

● Mr S. Bruce Smart Jr, chairman and chief executive officer of the Stamford-based Continental Group, Inc., has been elected to the board of GTE CORP.

● Mr Donald E. Guinn has been elected to the board of AMERICAN MEDICAL INTERNATIONAL INC. Mr Guinn has served as chairman of the board and chief executive officer of Pacific Telephone and Telegraph Co. since 1980.

# AUTHORISED UNIT TRUSTS

# FT UNIT TRUST INFORMATION SERVICE

# INSURANCES

# TRADED OPTIONS

## EUROPEAN OPTIONS EXCHANGE

| Series | | Mar. Vol. | Mar. Last | Jun. Vol. | Jun. Last | Sept. Vol. | Sept. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| D FL C | F.265 | 54 | 5.80 B | . | .. | . | – | F.268.40 |
| O FL C | F.270 | 3 | 4 | .. | | 50 | 7.50 | " |
| D FL C | F.275 | 15 | 1.50 | 1 | 3.80 | 25 | 5.50 | " |
| D FL C | F.285 | 1 | 0.20 | . | . | .. | .. | " |
| D FL P | F.260 | 2 | 2.80 | 2 | 6.50 | 2 | 10.50 | " |
| D FL P | F.265 | 200 | 5.50 | 1 | 9.50 | - | -- | " |
| D FL P | F.270 | 2 | 8.40 B | 1 | 12.60 | – | -- | " |
| O FL P | F.275 | 7 | 10.50 | - | — | . | — | " |
| | | Feb. | | May | | Aug. | | |
| GOLD C | $300 | 30 | 108 B | – | . | - | . | $496.50 |
| GOLD C | $350 | 3 | 148 | | . | . | . | " |
| GOLD C | $400 | 20 | 98 B | | | | . | " |
| GOLD C | $425 | 9 | 73 B | 60 | 91 | | | " |
| GOLD C | $450 | 50 | 50 | 1 | 70 | 5 | 85 | " |
| GOLD C | $475 | 21 | 23 B | 55 | 58 | 3 | 70 B | " |
| GOLD C | $500 | 331 | 12 | 310 | 41 | 6 | 62 | " |
| GOLD C | $550 | 124 | 2 | 217 | 10.10 | 72 | 40 | " |
| GOLD P | $450 | | . | 6 | 9 | 4 | 18 | " |
| GOLD P | $475 | 10 | 2.50 | 4 | 18 | 10 | 29 | " |
| GOLD P | $500 | 15 | 10 | 84 | 27 | .. | -- | " |
| GOLD P | $550 | -- | — | 19 | 69 B | — | — | " |
| 12½ NL 81 87 91 | | | | | | | | |
| C | F.125 | 30 | 7.60 | .. | — | — | -- | F.132.30 |
| C | F.127.50 | . | | 5 | 5.50 A | | . | " |
| C | F.130 | .. | .. | 72 | 3.80 | .. | . | " |
| C | F.135 | . | . | 25 | 1.70 | | . | " |
| C | F.140 | . | . | | - | 2 | 2 | " |
| P | F.125 | . | | 4 | 0.80 | | | " |
| P | F.130 | .. | - | 6 | 2.90 | 10 | 3.20 | " |
| 10¼ NL 80 86 95 | | | | | | | | |
| C | F.110 | 30 | 2.50 | - | | | . | F.112.50 |
| C | F.115 | - | - | | - | 60 | 2 | " |
| 11½ NL 82 88 92 | | | | | | | | |
| C | F.115 | . | . | 2 | 1.80 | - | . | F.115.50 |
| C | F.117.50 | 100 | 0.10 | 5 | 1.20 | -- | .. | " |
| 10 NL 82 11 86 80 | | | | | | | | |
| C | F.112.50 | . | — | 30 | 1.20 | -- | — | F.110.80 |
| 7¾ NL 82 89 93 | | | | | | | | |
| C | F.100 | 10 | 0.50 | 80 | 1.30 | — | — | F.100.30 |
| C | F.102.50 | | .. | 2 | 0.80 | . | — | " |
| P | F.100 | — | - | 35 | 1.40 | . | — | " |
| | | April | | July | | Oct. | | |
| ABN C | F.300 | 66 | 10 | - | - | — | — | F.296 |
| ABN P | F.260 | 31 | 2.50 | . | - | - | . | " |
| ABN P | F.280 | 27 | 5.50 | .. | .. | - | -- | " |
| ABN P | F.300 | 60 | 18 | - | -- | – | -- | " |
| AKZO C | F.35 | 54 | 6.40 | .. | – | - | .. | F40.40 |
| AKZO C | F.40 | 124 | 3.20 | | – | . | | " |
| AKZO C | F.45 | 35 | 0.80 | 312 | 2 | 67 | 2.50 | " |
| AKZO P | F.40 | 266 | 2 | .. | . | . | — | " |
| AMRO C | F.00 | 40 | 5.50 | . | . | . | -- | F.43 |
| AMRO C | F.45 | 321 | 2.80 | 60 | 3.50 | - | -- | " |
| AMRO C | F.50 | | - | 175 | 1.40 | .. | .. | " |
| AMRO P | F.40 | 174 | 1.70 | 81 | 2 | . | - | " |
| AMRO P | F.45 | 104 | 3.60 | .. | | .. | — | " |
| GIST C | F.120 | 50 | 15.50 | — | -- | - | -- | F.133 |
| HEIN C | F.110 | 35 | 6.50 A | – | . | – | — | F.109.50 |
| HEIN P | F.110 | 102 | 5 | | . | .. | — | " |
| KLM C | F.120 | | . | 41 | 43 | – | -- | F.155.80 |
| KLM C | F.160 | 94 | 12.30 | — | . | - | - | " |
| KLM P | F.100 | 28 | 1 A | 70 | 2 | . | - | " |
| KLM P | F.120 | 123 | 2.60 B | | . | . | — | " |
| KLM P | F.140 | 74 | 7.80 | 31 | 12 | . | — | " |
| KLM P | F.160 | 30 | 15 | — | -- | --. | — | " |
| NEDL P | F.100 | 47 | 11.40 A | — | .. | .. | — | F.88.60 |
| PHIL C | F.25 | 125 | 8.70 B | . | - | — | .. | F.33.90 |
| PHIL C | F.27.60 | 171 | 6.30 B | 58 | 6.30 B | 10 | 6.90 | " |
| PHIL C | F.30 | 576 | 4.20 B | 452 | 4.50 | 311 | 5.10 | " |
| PHIL C | F.32.50 | 203 | 2.60 | 85 | 3 | 95 | 3.90 | " |
| PHIL C | F.35 | 1252 | 1.50 | 550 | 2 | 150 | 2.90 | " |
| PHIL P | F.30 | 78 | 0.50 | 20 | 1.20 | 88 | 1.70 | " |
| PHIL P | F.32.50 | 280 | 1.20 | 24 | 2.10 | 3 | 2.70 | " |
| PHIL P | F.35 | 40 | 2.50 | | .. | — | . | " |
| RD C | F.90 | 154 | 9 | 10 | 10 | 11 | 10.50 | F.96.10 |
| RD C | F.100 | 496 | 3.80 | 154 | 4.40 | 61 | 6.10 | " |
| RD P | F.90 | 122 | 1.30 | 50 | 3.50 | 3 | 4.50 | " |
| RD P | F.100 | 34 | 5.50 | — | — | 5 | 10 | " |
| | | Feb. | | May | | Aug. | | |
| BASF C | DM.120 | 100 | 5 | 40 | 9 | — | — | DM123.70 |
| BASF C | DM.130 | | . | 50 | 2.80 | — | — | " |

TOTAL VOLUME IN CONTRACTS 11,496

A = Asked B = Bid C = Call P = Put

## LONDON TRADED OPTIONS

| Option | | Calls April | Calls July | Calls Oct. | Puts April | Puts July | Puts Oct. |
|---|---|---|---|---|---|---|---|
| BP (USP 312) | 260 | 58 | — | — | 3 | — | — |
| " " | 280 | 40 | .. | .. | 6 | — | — |
| " " | 300 | 24 | 30 | 42 | 18 | 22 | 28 |
| " " | 330 | 7 | 16 | 24 | 36 | 44 | 48 |
| " " | 360 | 3 | 6 | — | 62 | 66 | . |
| CGF (USP 572) | 420 | 157 | 164 | .. | 3 | 5 | — |
| " " | 460 | 117 | 125 | — | 6 | 12 | — |
| " " | 500 | 60 | 67 | 100 | 18 | 25 | 30 |
| " " | 550 | 44 | 55 | 72 | 35 | 42 | 50 |
| CTD (USP 86) | 70 | 20 | 22 | 24 | 2 | 2½ | 3½ |
| " " | 80 | 11 | 15 | 17 | 3½ | 5 | 7 |
| " " | 90 | 6 | 8 | 10 | 7 | 8 | 9 |
| CUA (USP 140) | 120 | 21 | 23 | — | 2 | 4 | — |
| " " | 130 | 13 | 18 | .. | 5 | 8 | — |
| " " | 140 | 8 | 11 | 16 | 14 | 17 | 18 |
| " " | 160 | 0 | 5 | 6 | 28 | 31 | 32 |
| GEC (USP 198) | 180 | 28 | 38 | 45 | 6 | 8 | 11 |
| " " | 197 | 15 | — | .. | 10 | – | .. |
| " " | 200 | — | 24 | 30 | — | 16 | 20 |
| " " | 217 | 7 | .. | — | 21 | .. | .. |
| " " | 220 | .. | 12 | — | — | 25 | . |
| " " | 237 | 3 | — | — | 40 | - | .. |
| " " | 240 | — | 7 | — | — | 44 | — |
| " " | 260 | 2 | 6 | — | 62 | 63 | .. |
| GMH (USP 348) | 240 | 109 | – | — | 1 | . | — |
| " " | 260 | 89 | — | .. | 1 | — | — |
| " " | 280 | 69 | 76 | . | 2 | 4 | . |
| " " | 300 | 40 | 57 | — | 3 | 6 | .. |
| " " | 330 | 29 | 06 | 43 | 9 | 14 | 17 |
| " " | 360 | 10 | 20 | 26 | 25 | 28 | 32 |
| ICI (USP 399) | 260 | 142 | .. | — | 2 | .. | . |
| " " | 280 | 122 | — | — | 2 | — | — |
| " " | 300 | 102 | 110 | .. | 2 | 0 | .. |
| " " | 330 | 72 | 80 | — | 4 | 5 | — |
| " " | 360 | 44 | 64 | 62 | 10 | 13 | 16 |
| " " | 390 | 24 | 36 | 46 | 20 | 26 | 30 |
| " " | 420 | 10 | 20 | 28 | 38 | 42 | 46 |
| LS (USP 299) | 290 | 62 | .. | .. | 2 | — | .. |
| " " | 260 | 42 | 48 | 53 | 3 | 5 | 8 |
| " " | 280 | 24 | 32 | 36 | 8 | 10 | 14 |
| " " | 300 | 11 | 16 | 23 | 13 | 17 | 20 |
| M & S (USP 212) | 160 | 56 | — | — | 1½ | .. | — |
| " " | 180 | 36 | 91 | 46 | 2 | 5 | 7 |
| " " | 200 | 21 | 28 | 35 | 6 | 11 | 16 |
| " " | 220 | 11 | 17 | 23 | 15 | 20 | 25 |
| " " | 240 | 3 | 8 | — | 30 | 33 | — |
| SHL (USP 418) | 360 | 62 | — | — | .. | — | — |
| " " | 390 | 34 | 42 | 50 | 7 | 11 | 16 |
| " " | 420 | 18 | 28 | 32 | 24 | 26 | 32 |
| " " | 460 | 7 | 14 | — | 52 | 56 | — |

| Option | | Calls Feb. | Calls May | Calls Aug. | Puts Feb. | Puts May | Puts Aug. |
|---|---|---|---|---|---|---|---|
| BBL (USP 435) | 350 | — | — | — | 1 | — | — |
| " " | 360 | 78 | 83 | 93 | 1 | 6 | 10 |
| " " | 383 | — | — | - | 2 | — | .. |
| " " | 390 | 48 | 53 | 63 | 2 | 10 | 17 |
| " " | 420 | 18 | 30 | 43 | 4 | 22 | 32 |
| " " | 460 | — | 15 | 20 | .. | 40 | 50 |
| IMP (USP 130) | 90 | 41 | 41 | — | 0½ | 1 | — |
| " " | 100 | 31 | 31 | .. | 0½ | 1 | — |
| " " | 110 | 21 | 21 | 25 | 2 | 2 | 3 |
| " " | 120 | 11 | 13 | 17 | 2 | 6 | 8 |
| " " | 130 | 5 | 7½ | 11 | 4½ | 12 | 14 |
| LMO (USP 264) | 260 | 14 | 33 | 47 | 8 | 18 | 25 |
| " " | 280 | 3 | 30 | 35 | 22 | 37 | 34 |
| " " | 300 | 8 | 14 | 23 | 40 | 47 | 50 |
| " " | 330 | 2 | 8 | 15 | 70 | 72 | 75 |
| " " | 360 | 2 | 2 | — | 100 | 102 | — |
| " " | 390 | 2 | 2 | .. | 130 | 132 | — |
| LNR (USP 94) | 60 | 35 | — | .. | 0¼ | .. | — |
| " " | 70 | 25 | — | .. | 1 | — | — |
| " " | 80 | 15 | 16 | 18 | 1 | 2½ | 3 |
| " " | 90 | 6 | 8½ | 11 | 2 | 7 | 8 |
| " " | 100 | 1½ | 4 | 6 | 8 | 14 | 15 |
| P & O (USP 121) | 100 | 22 | 26 | 28 | 1 | 2 | 5 |
| " " | 110 | 12 | 19 | 20 | 1 | 4 | 8 |
| " " | 120 | 4 | 12 | 14 | 3 | 7 | 13 |
| " " | 130 | 1 | 6 | 9 | 11 | 14 | 22 |
| " " | 140 | 1 | 3 | .. | 21 | 34 | — |
| " " | 160 | 0½ | 1 | — | 41 | 42 | .. |
| RCL (USP 477) | 390 | 90 | — | .. | 1 | — | .. |
| " " | 420 | 60 | .. | .. | 2 | .. | .. |
| " " | 460 | 32 | 47 | 57 | 4 | 17 | 22 |
| " " | 500 | 3 | 23 | 37 | 29 | 32 | 35 |
| " " | 550 | 2 | 11 | 20 | 77 | 77 | 80 |
| " " | 600 | 2 | 3 | 8 | 127 | 127 | 130 |
| " " | 650 | 1 | 2 | .. | 177 | 177 | — |
| RTZ (USP 538) | 330 | 212 | — | — | .. | .. | .. |
| " " | 360 | 182 | — | .. | — | — | .. |
| " " | 390 | 152 | 165 | — | 1 | — | .. |
| " " | 420 | 122 | 125 | 125 | 1 | 1 | 2 |
| " " | 460 | 82 | 92 | 97 | 1 | 8 | 6 |
| " " | 500 | 42 | 67 | 77 | 3 | 22 | 15 |
| VRF (USP 126) | 40 | 2 | — | — | 0½ | — | — |
| " " | 46 | 2 | — | — | 0½ | — | — |
| " " | 50 | 76½ | — | — | 0½ | 1 | — |
| " " | 55 | 71½ | — | — | 0½ | 1 | — |
| " " | 60 | 66½ | 66½ | — | 0½ | 1 | — |
| " " | 70 | 56½ | 56½ | 56½ | 0¼ | 1 | — |
| " " | 80 | 46½ | 46½ | 46½ | 0½ | 0¼ | .. |
| " " | 90 | 36½ | 36½ | 36½ | 0½ | 1½ | 2½ |
| " " | 100 | 26½ | 26½ | 28 | 0¼ | 4 | 6½ |
| " " | 110 | 16½ | 17½ | 28 | 0¾ | 7½ | 10½ |
| " " | 120 | 7 | 12½ | 18 | 1½ | 12½ | 16 |

Feb. 8 Total Contracts 2,533 Calls 2,075 Puts 458

# INSURANCE & OVERSEAS MANAGED FUNDS

**Black Horse Life Ass. Co. Ltd.**
71, Lombard St., EC3 01 623 1288

| | | | | |
|---|---|---|---|---|
| Black Horse Man. Fd | — | 215 60 | | |
| Managed Inv. Fd. | 147 51 | 155.28 | | |
| Property Fd | 145 15 | 152.79 | | |
| Fixed Interest Fd | 132 45 | 139 49 | | |
| Cash Fd. | 131.15 | 138.06 | | |
| Income Fd | 149 95 | 157.22 | | |
| Extra Income Fd. | 140.91 | 148.33 | | |
| Worldwide Growth Fd. | 193.19 | 203.26 | | |
| Balanced Fd. | 157.84 | 166 15 | | |
| Small Co's & Recy. Fd | 184 86 | 194.59 | | |
| Int. Technology Fd | 223 97 | 235.76 | | |
| Nth Amer. & Gen Fd. | 139 77 | 147.13 | | |
| Energy Int. Fd | 89.87 | 94.60 | | |
| Pacific Basin Fund | 134.76 | 220.80 | | |

**British National Life Assurance Co. Ltd.**
Harlands Rd., Haywards Heath. 0444 414111

| | | | | |
|---|---|---|---|---|
| Equity | 92.9 | 98 9 | | — |
| International | 201.7 | 207.3 | | — |
| Property | 102.2 | 107.6 | | — |
| Deposit | 95.5 | 100.5 | | — |
| Fixed Interest | 93.5 | 98 4 | | — |
| Managed | 98.8 | 103.4 | | — |
| Equity Pens Cap | 93.4 | 98.3 | | — |
| Intnl. Pens. Cap. | 102.7 | 108.1 | | — |
| Property Pens Cap | 103 9 | 109 4 | | — |
| Deposit Pens Cap | 95.3 | 100 3 | | — |
| Fixed Int Pens Cap | 93 0 | 97 9 | | — |
| Managed Pens Cap | 98 7 | 103 9 | | — |

**Canada Life Group**
2-6, High St., Potters Bar, Herts. P. Bar 51122

| | | | | |
|---|---|---|---|---|
| Equity Gth. Feb 1 | | 85.2 | | — |
| Retmt. Fed Feb 8 | | 224.8 | +20.4 | — |
| Managed Pen Fund | 260.7 | 269.3 | | — |
| Property Pen Fund | 109.5 | 115.3 | | — |
| Index Lnkd Pen Fund | 129.8 | 126.3 | | — |
| Managed | 107.4 | 113.9 | +0.4 | — |

**G.T. Management Ltd.**
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

| | | | | |
|---|---|---|---|---|
| G.T. Plan Bond Fund | 118 9 | 125 2 | 1 0 | |
| GT Pln High Yld Fnd | 106 7 | 112 4 | +8 9 | - |
| GT Plan Far East Fnd | 94 7 | 99 7 | 0 6 | |
| GT Pln N Am Fund | 149.9 | 157.8 | +1.4 | - |
| GT Pln UK&G E. Fnd | 121.4 | 127 8 | +0 3 | - |
| GT Pln Wrldwde Fnd | 115 9 | 122 1 | +1.0 | - |
| GT Pension Bnd Fnd | 124 5 | 131 1 | -1 1 | - |
| GT Pen High Yld Fd | 119.1 | 125 4 | +1.0 | - |
| GT Pen Far East Fd | 100.1 | 105.4 | -0.9 | - |
| GT Pen N. Am. Fd. | 185.4 | 195.2 | +1 7 | - |
| GT Pen UK & G E. Fd | 133.6 | 140 7 | +0.2 | - |
| GT Pen Worldwide Fd | 122 6 | 129 1 | +1 2 | — |

**Assicurazioni GENERALI S.p.A.**
117, Fenchurch St., EC3M 5DY. 01-488 0733
Intl. Managed Bond 158 9 | 167 3 | — |

**General Portfolio Life Ins. C. Ltd.**
Crossbrook St., Cheshunt, Herts. Waltham X 31971

| | | | | |
|---|---|---|---|---|
| Portfolio Fd. Acc. | | 220.3 | | — |
| Portfolio Fd Int. | | 187 7 | | — |
| Portfolio Fd. Cap. | | 213.5 | | — |
| Portfolio Man. Acc. | 67 7 | 71 3 | | — |
| Portfolio Man. Init. | 60 2 | 63 4 | | — |

**Growth & Sec. Life Ass. Soc. Ltd.**
48, London Fruit Exchange, E1 6EU 01-377 1122

| | | | | |
|---|---|---|---|---|
| Flexible Finance | | 1,411 | | — |
| Landbank Secs. | | 62 7 | | — |
| Landbank Scs. Acc. | 172.4 | 176.8 | | — |
| G. & S. Super Fd. | | £10.638 | | — |

**Guardian Royal Exchange**
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance
Property Bonds 299.3 | 311.7 | — |
GRE Linked Assurance Limited

| | | | | |
|---|---|---|---|---|
| Managed Initial | 182.5 | 192 1 | -0.3 | — |
| Do. Accum. | 199.5 | 210 0 | +0.3 | — |

**London A'deen & Nthn. Mtl. Assu. Ltd.**
129 Kingsway, London, WC2B 6NF. 01-404 0393
'Asset Builder' 59.9 | 63.1 | — |

**London Indemnity & Gnl. Ins. Co. Ltd**
18-20, The Forbury, Reading 583571

| | | | | |
|---|---|---|---|---|
| Money Mngr. Feb. 1 | 55.2 | 58.0 | | — |
| MM Flexible Feb. 4 | 47.8 | 50.4 | | — |
| Fixed Interest Feb. 1 | 51.6 | 54 4 | | — |

**London Life Linked Assur. Ltd.**
100, Temple St., Bristol, BS1 6EA. 0272-279179

| | | | | |
|---|---|---|---|---|
| Equity | 202.6 | 208 6 | | — |
| Fixed Interest | 146.7 | 147 4 | | — |
| Property | 158.3 | 163.0 | | — |
| Deposit | 137.2 | 137.2 | | — |
| Mixed | 173.6 | 177 4 | | — |
| Indexed Stk | 113.5 | 116.0 | | — |

**London Life Managed Funds Ltd.**

| | | | | |
|---|---|---|---|---|
| Equity (P.) | 145 1 | 150.1 | | — |
| Fixed Int. (P.) | 145.9 | 146.9 | | — |
| Property (P.) | 115.9 | 119.9 | | — |
| Deposit (P.) | 114.5 | 134.5 | | — |
| Mixed (P.) | 137 4 | 140 9 | | — |
| Indexed Stock (P.) | 119 5 | 120.3 | | — |

**London & Manchester Gp.**
Winslade Park, Exeter EX5 7DS. 0392 52155

| | | | | |
|---|---|---|---|---|
| Invest. Tst. Fd. Cap. | 258.5 | — | | — |
| Invest. Tst. Fd. Acc. | 266.1 | — | | +8.2 |
| Property Fund Cap | 116.2 | — | | — |
| Property Fund Acc. | 119.7 | — | | +3.2 |
| Flexible Fund Cap | 170.6 | — | -0 1 | — |
| Flexible Fund Acc. | 175 6 | — | -0.1 | +2.5 |
| Fixed Int. Fd Cap | 129.9 | — | | — |
| Fixed Int. Fd Acc | 134 0 | — | | — |
| Gtd. Deposit Fd. Cap. | 136.9 | — | | — |
| Gtd Deposit Fd. Acc. | 140.1 | — | | — |
| Equity Fund Cap. | 135.0 | — | -0.5 | — |
| Equity Fund Acc. | 138.7 | — | -0.5 | — |
| International Fd. Cap. | 130.4 | — | | — |
| International Fd. Acc. | 133.9 | — | | — |
| Capital Gwth. Fd. | 390 6 | — | +0.2 | — |
| Moneymaker Fund | 154.7 | — | | — |
| Exempt Inv Tst Cap | 360 9 | — | -0.1 | — |

**Property Growth Assur. Co. Ltd.**
Leon House, Croydon CR9 1LU 01-680 0606

| | | | | |
|---|---|---|---|---|
| Property Fund | | 281 7 | | — |
| Property Fund (A) | | 274 0 | | — |
| Agricultural Fund | | 1049 9 | | — |
| Agric. Fund (A) | | 1024 4 | | — |
| Abbey Nat. Fund | | 222 0 | | — |
| Abbey Nat. Fd (A) | | 221 6 | | — |
| Investment Fund | | 123 6 | | — |
| Investment Fund (A) | | 122 0 | | — |
| Equity Fund | | 373.3 | +2.5 | — |
| Equity Fund (A) | | 367 1 | +2.3 | — |
| Money Fund | | 205.4 | | — |
| Money Fund (A) | | 201.4 | | — |
| Actuarial Fund | | 195 5 | | — |
| Gilt-edged Fund | | 175.6 | +1.9 | — |
| Gilt-Edged Fd (A) | | 175 6 | +1.9 | — |
| Retire Annuity | | 173.7 | | — |
| Immed. Ann'ty | | 194 8 | | — |
| International Fd. | | 223.0 | | — |

**Property Gth Pens & Annuities Ltd**

| | | | | |
|---|---|---|---|---|
| All Weather Ac. Uts | 225.1 | 237.0 | | — |
| Inv. Fd. Uts | | 260 4 | | — |
| Pension Fd. Uts. | | 236.0 | | — |
| Conv. Pens. Fd. | | 265 1 | | — |
| Cnv. Pns. Cap. Ut. | | 203.7 | | — |
| Man. Pens. Fd. | | 289 0 | | — |
| Man. Pens. Cap. Ut. | | 230 6 | | — |
| Prop. Pens. Fd. | | 265.3 | | — |
| Prop. Pens Cap. Uts. | | 206 0 | | — |
| Bldg. Soc. Pen. Ut. | | 236.3 | | — |
| Bldg. Soc. Cap. Ut. | | 185 8 | | — |
| Gilts Pens Fd. | | 151.4 | +1.2 | — |
| Gilts Pens. Fd. Cap. | | 135.7 | +1.1 | — |
| Equity Pens Fd | | 217 6 | +1.8 | — |
| Equity Pens Fd Cap. | | 195.2 | +1.5 | — |

**Providence Capitol Life Assc. Co. Ltd.**
30 Uxbridge Road, W12 8PG. 01-749 9111

| | | | | |
|---|---|---|---|---|
| Equity Acc. | 94 2 | 99 4 | | — |
| Fixed Interest Acc. | 87 4 | 88.5 | | — |
| Intnl. Acc. | 76 0 | 80 2 | | — |
| Managed Acc. | 84 8 | 89.6 | | — |
| Property Acc. | 106.3 | 112.2 | | — |
| Money Acc. | 71 0 | 75 0 | | — |
| Special Market Acc. | 61 0 | 64 4 | | — |

**Hambros Fd. Mgrs. (C.I.) Ltd.**
P O Box 86, Guernsey 0481 26521

| | | | | |
|---|---|---|---|---|
| Capital Reserve Fund | £15 93 | 15 98 | -0.04 | 0 22 |
| C I Fund | 289 1 | 107 9 | +9 6 | 2 67 |
| Special Sit. Fund | 116 1 | 122 3 | +3 4 | 2 29 |
| Sterling Income Fund | 108 6 | 113 0 | | 11 27 |
| Dollar Income Fund | $1 058 | 1 104 | | 12 27 |
| Trans. Nat. Trust | $1 097 | 1 151 | | 2 78 |
| Intnl. Bond | $104 15 | 109.63 | -0.13 | 9 85 |
| Intl. Equity | $19 29 | 20 30 | +0 32 | 1 81 |
| Intl. Svgs. 'A' $US | $1 59 | 1.67 | +0.09 | — |
| Intl. Svgs. 'B' | $2 11 | 2 22 | -0 01 | — |
| Galleon Ass. Fund 'A' | $1 051 | 1 062 | | - |
| Galleon Ass. Fund 'B' | $1 120 | 1.149 | | - |
| Amer. Spec. Accts. | $0 98 | 1 84 | +0 83 | — |

**Henderson Admin. & Man. (Guernsey)**
7 New St., St. Peter Port, Guernsey 0481 26541 2

| | | | | |
|---|---|---|---|---|
| American (US cents) | 158.1 | 168 3 | | — |
| Nat. Res. (U S cents) | 119 4 | 127 0 | | — |
| Gilt Fund | £10 09 | 10 70 | | 11 83 |
| Prime Res. Props | — | 100 0 | | — |

**Henderson Baring Group**
1901, Edinburgh Tower, Hongkong

| | | | | |
|---|---|---|---|---|
| Australia | $8 56 | 9 23 | | — |
| Hong Kong | $11.75 | 12.60 | | — |
| Japan Tech. | $18 77 | 20 02 | | — |
| Japan Fund | $27.70 | 29 59 | | — |
| Malay Sing | $18 48 | 19 90 | | — |
| Pacific Fd. | $17 698 | 12 282 | | — |
| Bond Fd | $11 119 | 11.674 | | 10.15 |

**Hill-Samuel & Co. (Guernsey) Ltd.**
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. 250 7 | 268 2 | | 2 87

**Hill Samuel Investment Mgmt. Intnl.**
P O Box 63, Jersey. 0534 76029

| | | | | |
|---|---|---|---|---|
| UK Equities (C I Fd.) | 170 8 | 187 8 | | 3 50 |
| UK Gilt Qly Fnd Int | 102 0 | 108 0 | +2.0 | 11 77 |

**Quilter/Heinold Commodities**
71 45, Gresham Street, EC2V 7LH 01-600 4177
Resc Fd Int Feb 1 | $1 624 80 | 530 | | 1 84
Next dealing date March 1

**Richmond Life Ass. Ltd.**
4 Hill Street, Douglas, I O M. 0624 23914

| | | | | |
|---|---|---|---|---|
| Coin Trust | 44 8 | 48 0 | | — |
| Diamond Bond | 81 1 | 87.6 | +0 7 | — |
| Gemstone Trust | 127 4 | 136 5 | | — |
| Gold Bond | 373 0 | 329 3 | +1 4 | — |
| Managed Fund | 108 1 | 116 5 | -8 6 | — |
| Petroman Oil Trust | 59 1 | 62.2 | -2 0 | — |
| Do. $ | 0 910 | 0 958 | -0.018 | — |
| Silver Trust | 341 8 | 359 7 | +8 4 | — |
| Sterling Deposit Bd. | 159.67 | 168.11 | +0 07 | 10 94 |
| UK Gilt Fund | 150 3 | 159 7 | +1 7 | — |

**Rothschild Asset Management (C.I.)**
St. Julian's Ct., St. Peter Pt, Guernsey. 0481 26741

| | | | | |
|---|---|---|---|---|
| OC American Fd* | $3 07 | 3 26 | -0 07 | 1 34 |
| OC Sm Co*** | 168 0 | 178 7 | | 1 11 |
| OC Commodity† | 109 3 | 116 2 | | 2.57 |
| OC Dir Comdty* | $36.81 | 39 15 | +1 75 | 2 45 |
| OC Hongkg Fd†† | $31 59 | 33 60 | | — |

**OC International Reserves**
See Currencies Page Mon-Fri and Stock Exchange Dealings Page Sat.
*Prices February 7 Next dlng. February 21. †Prices January 31.
Next dlng Feb 14. ***Jan 31 Next dlng Feb 15.
††Dealings every Wednesday.

**Royal Bank of Canada Funds**
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

| | | | | |
|---|---|---|---|---|
| Intl Income Fd | $9 79 | 10.41 | | - |
| Intl Capital Fd | $12 14 | 13 14 | | - |
| North America Fd | $5.51 | 6.00 | | - |

RBC Intl Currencies Fd Ltd

**Westavon Secs. (Guernsey) Ltd**
PO Box 214, St Peter Port, Guernsey 0481 27768
Gilt & Option Fd 98 0 | 103 0 | | 7 00

**World Wide Growth Management◆**
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd $11.81 | — | +0.01 | -
Inv. Adv.: M & G Inv. Mngt., Ltd., London

**Wren Commodity Management Ltd.**
10, St George's St., Douglas, IoM 0624 25015

| | | | | |
|---|---|---|---|---|
| Wren Com. Fund | 37 2 | 30 7 | | 3 30 |
| Chinese Fund | 77 4 | 76 4 | | 1 70 |
| Precious Metal Fund | 155 5 | 161.6 | | 8 30 |
| Vanguard Cmdy. Fd | 45 5 | 46 7 | | 2 26 |
| Financial Futures Fd | 134 0 | 139 4 | | — |
| Wren Intl. Fnd * | $0 928 | 0 967 | | - |

## NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ● Suspended. ◆ Yield before Jersey tax. † Ex subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

# INTERNATIONAL CAPITAL MARKETS



## Rise in EIB borrowing outstrips new lending

**BY PETER MONTAGNON IN LUXEMBOURG**

INTERNATIONAL borrowing by the European Investment Bank rose sharply to Ecu 3.2bn ($2.96bn) last year from Ecu 2.3bn in 1981, according to figures released by the bank in Luxembourg yesterday.

The rate of increase far outstripped new lending by the bank which rose only 22 per cent to Ecu 4.7bn. With its borrowing, which is all at fixed rates of interest, the European Investment Bank is the second largest borrower on international bond markets after the World Bank.

The bank's new treasurer, Mr Philippe Marchat, said yesterday that the discrepancy between lending and borrowing trends, arose simply because some of the EIB's 13 lending projects were not ready for signature at the end of the year. Although its borrowing had increased sharply last year, the bank expected to borrow somewhat more in 1983 than last year, he said.

A large portion of last year's borrowing was raised in the form of private placements which accounted for Ecu 1.32 bn of the total. The bank has been active again in the private placement market in January but it intended soon to float public issues in the Swiss and German markets and was studying developments in the dollar Euro bond market, Mr Marchat said.

The bulk of the bank's lending last year, or Ecu 4.24bn, went to European Community member countries, according to its president, Mr Yves le Portz. The EIB reckons that the ventures backed by it last year should lead to the creation or preservation of more than 58,000 permanent jobs.

The main priorities of the bank lending within the EEC were regional development, reducing dependence on imported oil and industrial modernisation, but last year particular emphasis was also laid on lending to small businesses. Once again Italy took the largest share of new loans to the EEC with 48 per cent of the total but new lending to Greece rose strongly to Ecu 459m from Ecu 159m and loans to the UK almost doubled to Ecu 490.6m from Ecu 252.7m.

In its borrowings, the EIB raised Ecu 760m equivalent in U.S. dollars which was 23.7 per cent of the total.

## Portugal drops plan for CDs

**By Our Euromarkets Staff**

PORTUGAL's largest savings bank, the government owned Caixa Geral de Depositos, has dropped plans to raise $150m through a revolving underwriting facility, because of a lack of sufficient interest in the Euromarket.

Merrill Lynch International Banking Group in London said it had been asked in December to explore the possibility of such a deal, which would involve obtaining commitments from underwriters and then marketing the facility in the form of six-month certificates of deposit. But Merrill was able to obtain commitments for only $40m as of last month, and the borrower wished to move faster in raising the funds.

"We were confident that, given the time necessary in today's market, the $150m could be put together," a Merrill executive said. Instead, the Portuguese credit institution told Merrill it would rather raise the $150m through a normal syndicated loan; this will cost the borrower more than the revolving facility would have done.

Bankers say evidence that Portugal's political problems, International Monetary Fund negotiations and uncertain economy are causing it problems in the Euromarket can be found in the slow-moving $150m syndicated loan for Electricidad de Portugal, the state-owned utility which is paying a spread of ½ per cent over the London interbank rate for four years, and a ⅝ per cent margin for the second four years of an eight-year deal, plus a ⅝ per cent front-end fee.

## Sumitomo Metal in SwFr 100m issue

**BY ALAN FRIEDMAN IN LONDON**

SUMITOMO METAL is placing SwFr 100m of five-year paper bearing a 5½ per cent coupon, through Swiss Bank Corporation. The issue, guaranteed by Sumitomo Bank, is one of three new Japanese placements in Switzerland, announced yesterday and totalling SwFr 170m.

Nishimatsu Construction Company of Tokyo is placing SwFr 40m of five-year convertible paper through Credit Suisse. The indicated coupon is 4¼ per cent and the conversion premium (into equity) is expected to be around 5 per cent.

Kurabo Industries, a Japanese textiles company, is placing SwFr 30m of five-year convertible bonds through Credit Suisse. The coupon is likely to be 4¼ per cent and the premium 5 per cent.

Prices of Swiss franc foreign bonds closed generally unchanged to slightly weaker in quiet trading. Dealers are complaining of a surplus of unsold paper in Switzerland, the same headache which is afflicting the Eurodollar bond market.

In London, Morgan Stanley said last night it had closed subscriptions on the $50m 7 per cent Northern Telecom convertible bonds: this is 48 hours ahead of schedule and testifies to the deal's success. Meanwhile, Northern Telecom's share price has moved from $71 last week to $77 in early dealings in New York.

Dealers in London say the dollar market's malaise is continuing, although some bargain hunters have emerged, and in the words of one trader, "the market is trying to do better." Prices closed mixed, with some bonds recording modest gains of ¼ point.

Among the worst performing of the partly-paid issues is the 11 per cent 1993 $100m issue for Williams and Glyn's Bank, the smallest of the major UK clearing banks. The price quoted last night was around 22¾, against partly paid issue price of 30 per cent. At this level the yield is a high 12.30 per cent.

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. *The following are closing prices for February 8.*

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Amex O/S Fin 14¼ 89 | 75 | 109⅛ | 109⅝ | -0¼ | -0⅛ | 11.88 |
| Amro Bank 13 89 | 200 | 103¾ | 103⅞ | 0¼ | -1⅞ | 12.15 |
| BHP Finance 14¾ 89 | 150 | 106 | 106½ | +0⅛ | +0¼ | 13.10 |
| British Col Hyd 14⅞ 89 | 200 | 109⅝ | 110⅛ | -0⅛ | 0½ | 12.35 |
| British Col Hyd 15¼ 92 | 150 | 113⅝ | 114⅛ | -0⅛ | -0⅝ | 12.61 |
| Canada 14⅜ 87 | 750 | 110⅛ | 110⅝ | +0⅛ | +0⅛ | 11.18 |
| Canadair Ltd 12½ 89 | 175 | 103½ | 103⅞ | -0½ | -0⅝ | 11.72 |
| Canadian Wheat 11¼ 90 | 50 | 98 | 98½ | -0⅛ | -0½ | 11.68 |
| Can Pac Ltd 14⅜ 92 | 75 | 107 | 107½ | -0⅜ | -0⅝ | 13.10 |
| Can Pac Sec 15 89 | 15 | 108 | 108¾ | +0½ | -0⅞ | 12.87 |
| Chicorp O/S 15 84/92 | 100 | 103⅞ | 104⅜ | 0 | -0⅜ | 10.90 |
| [illegible] | | | | | | |

| | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| New Zealand 8⅞ 87 | 15 | 103⅝ | 104⅛ | -0⅛ | 1⅛ | 7.33 |
| World Bank 8⅜ 92 | 20 | 103⅝ | 104½ | 0 | -0⅜ | 7.12 |

Av. price changes: on day -⅛, on week -⅞

| OTHER STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Brit Col Tel 17¼ 88 C$ | 50† | 112½ | 113 | 0 | -0½ | 13.75 |
| Can Utilities 17 87 C$ | 35† | 114 | 115 | 0 | +0½ | 12.53 |
| Gaz de France 16 89 C$ | 75† | 106 | 106½ | -0⅜ | -0⅜ | 13.49 |
| Gaz Metro 14½ 92 C$ | 40† | 104 | 105 | -0¼ | -0⅜ | 13.82 |
| O.K.B. 16¾ 88 C$ | 83† | 114½ | 115 | +0¼ | -0¼ | 12.28 |
| Quebec Hydro 14 92 C$ | 60† | 106½ | 107 | 0 | -1 | 12.73 |
| Swed Exp Cr 12¼ 88 C$ | 50† | 97½ | 98 | 0 | +0½ | 12.88 |
| [illegible] | | | | | | |

| FLOATING RATE NOTES | Spread | Bid | Offer | C.date | C.cpn | C.yld |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

| CONVERTIBLE BONDS | Cnv. date | Cnv. price | Bid | Offer | Chg. day | Prem |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |
| Minorco 8⅛ 97 † | 5/82 | 6.10 | 147 | 149 | +2½ | 9.41 |
| Murata 5⅝ 96 | 7/81 | 1071 | 98⅛ | 89½ | +1⅛ | 22.42 |
| NKK 6½ 96 | 7/81 | 106 | 70⅝ | 01⅝ | +0⅜ | 18.39 |
| Nippon Electric 5⅛ 97 | 2/82 | 804.2 | 117 | 118½ | +0⅜ | 6.02 |
| Olympus Optical 6¾ 97 | 12/82 | 1331 | 101⅝ | 103⅛ | +1½ | 15.88 |
| Orient Finance 5¼ 97 | 3/82 | 1205 | 93 | 94½ | +2⅛ | 1.30 |
| Sanyo Electric 5 96 | 10/81 | 852 | 82⅛ | 83¾ | +2¾ | 28.57 |
| Sumitomo Electric 5½ 97 | 3/82 | 577.3 | 94½ | 96 | +0⅛ | 9.05 |
| Sumitomo Metal 5⅛ 96 | 10/81 | 296.1 | 69⅝ | 71 | +0⅝ | 31.55 |
| Olympus Opt 4½ 92 SF | 12/82 | 1331 | 106¾ | 107¾ | 0 | 31.58 |
| Konishiroku 6⅜ 88 DM | 5/82 | 016.1 | 107 | 108½ | +0⅝ | 10.00 |
| Mitsubishi Heavy 6 88 DM | 2/82 | 263 | 104⅛ | 105⅛ | +1½ | 11.84 |
| Sun Realty 9¼ 92 DM | 2/83 | 385 | 107½ | 108½ | 0⅝ | 1.62 |

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |
| Philips Lamps 5¾ 92 | 106 | 103¾ | 104 | -0⅝ | -0⅝ | 5.23 |
| Quebec 5⅞ 92 | 100 | 103¼ | 103½ | 0 | -0⅝ | 5.30 |
| Sweden Kingdom 5⅞ 92 | 100 | 100¼ | 100½ | 0 | -0⅝ | 5.82 |
| Tokyo Elec Power 5⅛ 92 | 100 | 102¼ | 102½ | -0½ | -0½ | 5.55 |
| Tokyo Metropolis 5⅛ 92 | 100 | 100⅝ | 101¼ | -0½ | -0⅝ | 5.24 |
| World Bank 5½ 93 | 100 | 101 | 101¼ | -0¼ | -0⅜ | 5.35 |
| World Bank 9¼ 92 | 100 | 105 | 105¼ | -0½ | -1 | 5.55 |

Av. price changes: on day -¼, on week -⅛

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Australia 8⅝ 92 | 15 | 105⅞ | 106⅛ | -0¼ | -0½ | 7.75 |
| E.I.B. 8¼ 92 | 15 | 102 | 102⅜ | -0⅛ | -1⅜ | 7.87 |
| Japan Airlines 7⅞ 87 | 81 | 100½ | 101 | 0 | 0 | 7.65 |

* No information available-previous day's price
† Only one market maker supplied a price

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡1 three month, § above mean rate) for U.S. dollars. C.cpn. = current coupon. C.yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.



## NORTH AMERICAN QUARTERLIES

**AMERICAN GENERAL**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Net profits | 59.9m | 46.4m |
| Net per share | 1.93 | 1.34 |
| **Year** | | |
| Revenue | 2.81bn | 2.39bn |
| Net profits | 202.7m | 188m |
| Net per share | 7.36 | 6.63 |

**BLACK & DECKER MANUFACTURING**

| First quarter | 1982-83 $ | 1981-82 $ |
|---|---|---|
| Revenue | 298.9m | 328.3m |
| Net profits | 14.44m | 15.11m |
| Net per share | 0.34 | 0.36 |

**AMERICAN STANDARD**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 537.8m | 600.2m |
| Net profits | 7m | 16.1m |
| Net per share | 0.26 | 0.59 |
| **Year** | | |
| Revenue | 2.12bn | 2.47bn |
| Net profits | 35.6m | 111.5m |
| Net per share | 1.30 | 4.07 |

**ARA SERVICES**

| First quarter | 1982-83 $ | 1981-82 $ |
|---|---|---|
| Revenue | 743m | 698.2m |
| Net profits | 13.8m | 13.5m |
| Net per share | 1.10 | 1.18 |

**B. C. FOREST PRODUCTS**

| Fourth quarter | 1982 C$ | 1981 C$ |
|---|---|---|
| Revenue | 199m | 226.8m |
| Net profits | †18.2m | 200,000 |
| Net per share | †0.52 | 0.01 |
| **Year** | | |
| Revenue | 799.2m | 814.9m |
| Net profits | †61m | 17.2m |
| Net per share | †1.82 | 0.55 |

† Loss

**DAN RIVER**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 125.4m | 151.7m |
| Net profits | †10.6m | 4.3m |
| Net per share | †1.90 | 0.74 |
| **Year** | | |
| Revenue | 519.1m | 634.8m |
| Net profits | †8.7m | 14.5m |
| Net per share | †1.64 | 2.51 |

† Loss

**DUN & BRADSTREET**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 388.7m | 356.5m |
| Net profits | 37.2m | 32.2m |
| Net per share | 1.32 | 1.15 |
| **Year** | | |
| Revenue | 1.46bn | 1.33bn |
| Net profits | 142.1m | 121.5m |
| Net per share | 5.06 | 4.33 |

**FIELDCREST MILLS**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 148.2m | 149.5m |
| Net profits | 6m | 2.8m |
| Net per share | 1.58 | 0.68 |
| **Year** | | |
| Revenue | 492m | 526.2m |
| Net profits | 10.4m | 8.5m |
| Net per share | 2.73 | 2.49 |

**GENERAL PUBLIC UTILITIES**

| Year | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 2.41bn | 2.07bn |
| Net profits | 37.5m | †15.9m |
| Net per share | 0.61 | †0.26 |

† Loss

**GENERAL RE**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 398.4m | 411.7m |
| Net profits | 55.2m | 81m |
| Net per share | 1.26 | 1.10 |
| **Year** | | |
| Revenue | 1.5bn | 1.42bn |
| Net profits | 203.6m | 179.6m |
| Net per share | 4.66 | 4.07 |

**G. HEILEMAN**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 226.4m | 201.9m |
| Net profits | 8.6m | 8m |
| Net per share | 0.72 | 0.60 |
| **Year** | | |
| Revenue | 1.57bn | 931.9m |
| Net profits | 45.6m | 40.2m |
| Net per share | 3.45 | 3.05 |

**MARRIOTT**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 792.8m | 620.7m |
| Net profits | 25.1m | 21.7m |
| Net per share | 0.91 | 0.81 |
| **Year** | | |
| Revenue | 2.54bn | 2.31bn |
| Net profits | 94.3m | 86.1m |
| Net per share | 3.46 | 3.21 |

**MURPHY OIL**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Net profits | 6.8m | 3.4m |
| Net per share | 1.09 | 0.54 |
| **Year** | | |
| Revenue | 190.5m | 152m |
| Net profits | 15.2m | 9.9m |
| Net per share | 2.42 | 1.58 |

**PRENTICE HALL**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 117.8m | 108.4m |
| Net profits | 12.8m | 12.4m |
| Net per share | 1.29 | 1.25 |
| **Year** | | |
| Revenue | 409.7m | 390.6m |
| Net profits | 36.3m | 33.8m |
| Net per share | 3.66 | 3.41 |

**RAYMOND INT'L**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 454m | 400m |
| Net profits | 3.2m | 4.8m |
| Net per share | 0.48 | 0.80 |
| **Year** | | |
| Revenue | 1.6bn | 1.1bn |
| Net profits | 12.1m | 15.6m |
| Net per share | - 1.92 | 2.65 |

**READING AND BATES**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 154.4m | 146.3m |
| Net profits | 4.3m | 28.6m |
| Net per share | 0.10 | 0.92 |
| **Year** | | |
| Revenue | 566.9m | 536.5m |
| Net profits | 75.6m | 93.4m |
| Net per share | 2.43 | 3.01 |

**REICHHOLD CHEMICALS**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 184.8m | 210.9m |
| Net profits | 2.8m | 1.5m |
| Net per share | 0.30 | 0.12 |
| **Year** | | |
| Revenue | 814.9m | 950.1m |
| Net profits | 4.7m | 14.7m |
| Net per share | 0.25 | 1.70 |

**UNITED TELECOM**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 613.9m | 593.5m |
| Net profits | 50.8m | 41.4m |
| Net per share | 0.61 | 0.51 |
| **Year** | | |
| Revenue | 2.4bn | 2.3bn |
| Net profits | 201.6m | 247.7m |
| Net per share | 2.43 | 2.48 |

**WARNACO**

| Year | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 493.6m | 478.9m |
| Net profits | 26.1m | 21.2m |
| Net per share | 5.17 | 4.88 |

**WILLIAMS COS**

| Fourth quarter | 1982 $ | 1981 $ |
|---|---|---|
| Revenue | 358.9m | 42.9m |
| Net profits | 5.8m | 8.1m |
| Net per share | 0.19 | 0.21 |
| **Year** | | |
| Revenue | 1.69bn | 1.96bn |
| Net profits | 34.3m | 109.5m |
| Net per share | 1.10 | 3.67 |

## INTERNATIONAL APPOINTMENTS

### Senior posts at Avis International

● Mr Jose Sanz has been appointed group vice-president of AVIS INTERNATIONAL with responsibility for worldwide operations except the U.S. He was senior vice-president and general manager of Europe, Africa, Middle East division (EAME). Mr Sanz will be based in New York. Mr Alun Cathcart succeeds Mr Sanz as vice-president and general manager, EAME division from managing director of Avis UK. Mr Cathcart joined Avis in 1980 as director of operational development, Europe and became managing director Avis UK in 1982.

● DENNY'S INC. has made the following directors: Mr David H. Bixler, vice-president and general manager of the Denny's restaurant division; Mr Roger K. Mercier, vice-president corporate development and general counsel; and Mr John D. Radebaugh, vice-president and chief financial officer.

● AVCO CORP. has elected Mr *Daniel B. Burke* to its *board*. Mr Burke is president and chief operating officer and a director of Capital Cities Communications, Inc., which owns and operates radio and television broadcasting stations, and publishes trade and consumer newspapers.

● *Mr Charles M. Doscher* has been appointed president and chief operating officer of ENOXY CHEMICAL S.A. Mr Doscher joins ENI from Occidental Petroleum, where he served as chairman of Occidental Chemical Europe from the beginning of 1980, until his appointment in January 1982 as executive vice-president, corporate development and marketing for Occidental Chemical worldwide. Mr Doscher succeeds Mr Alex Crossan, who remains with Occidental Petroleum.

● PUROLATOR INC. has elected Mr Nicholas F. Brady a director and *chairman of* the executive committee of the board. Although Mr Henry J. Brock has retired as a director of Purolator, he has been made an advisory director. Mr Brady, who had served as chairman of the Purolator board since 1971, resigned that position in April 1982 to accept an interim appointment as U.S. Senator from New Jersey. At the end of the year Mr Brady completed his term in the U.S. Senate and returned to private life.

● THE NATIONAL BANK OF NORTH AMERICA has elected Mr Paul C. Kreuch Jr executive vice-president in charge of the U.S. group. Before joining NBNA, Mr Kreuch had been *senior vice-president at the Connecticut* National Bank in charge of the national banking and cash management groups.

● Mr Bengt Nilson, former president, has been appointed chairman of METALLURG INC. following the retirement of Mr Ernst Grunfeld, who remains on the board. Mr Michael Standen has been appointed president and Mr David Wolinsky has been appointed executive vice-president.

● Mr F. M. Bethwaite, secretary and manager, corporate development, of NORTH BROKEN HILL HOLDINGS, has become a director.

● PHIBRO-SALOMON INC. has enlarged its board with the election of Mr Maurice R. Greenberg and Mr Henry R. Slack as directors. Mr Greenberg is president and chief executive officer of American International Group Inc., a multinational insurance holding company. Mr Slack is a director of Minerals and Resources Corp., a Bermuda-based investment and holding company. Mr John J. Lee has been elected an executive vice-president. Mr Lee is president of the company's subsidiary, Phibro Resources Corp.

● REYNOLDS METALS CO has appointed Mr William O. Bourke president, *succeeding Mr John E.* Blomquist, who has become vice-chairman. Mr Bourke had been executive vice-president.

● Ms Beverly S. Gordon has been appointed director of institutional marketing, at the CHICAGO BOARD OPTIONS EXCHANGE. She will be based in CBOE's New York office. Prior to joining CBOE, Ms Gordon spent six years with the American Stock Exchange as a special counsel to their options division. She was also a stock-broker and partner at Hugh Johnson & Co. in Utica, New York.

Mr Robert L. Cruikshank has become chairman of the executive committee, the highest elective office among the exchange membership. Mr Cruikshank is a general partner of Neild, Cruikshank & Co., a Chicago-based options firm involved in market maker activities in Chicago, New York, and Philadelphia.

● NATOMAS COMPANY of San Francisco, has elected Mr Frank C. Osment, a petroleum industry consultant, to its board. Mr Osment recently retired as executive vice-president, a director and member of the executive committee of Standard Oil Company of Indiana. He is a director of Harris Bankcorp Inc, Harris Trust and Savings Bank, and the McGraw Edison Company.

● Mr Emmett H. Zahn has been appointed first vice-president, systems, at the CHICAGO BOARD OPTIONS EXCHANGE. He has been with CBOE since May 1981. He served as director of trading support systems and then as vice-president of data path.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Wednesday February 9 1983

Subsidised U.S. flour sales to Egypt supported, Page 29

## WALL STREET

# Blue chips sharply into reverse

INVESTORS could be forgiven a bad attack of déjà vu on Wall Street yesterday as the Dow Jones industrial average again backed sharply away from just over the 1,090 level, *writes Duncan Campbell-Smith in New York.*

The Dow beat a hasty retreat inside the last couple of hours of a generally nervous session and closed down 11.77 at 1075.33. Analysts suggested that institutional selling had been a dominant influence, however, depressing blue chip prices significantly more heavily than the rest of the market. Declining stocks accordingly outnumbered advancing ones by just nine to seven in a trading volume of 76.58m shares.

Two areas of particular weakness were high technology stocks and the airlines. The former extended their falls of the previous day, with IBM down $2 to $95⅞. Again notable among the losers were Motorola, down $4 to $107¼, and Texas Instruments, down $4¼ to $167. Digital Equipment fell $3¾ to $116.

The DJ transportation average was hit by the performance of the airline stocks, falling 5.96 to 477.68. The sector was adversely affected, according to some analysts, by the volume of new issues on offer, which swelled further yesterday.

USAir announced an offering of 2m common shares and was down $2 to $32½ by early afternoon. UAL, parent company of United Airlines, announced a 3m common share offering and slipped $1⅞ to $33⅞. Trans World was down $1⅞ to $30½ and Pan American was unchanged at $4⅞.

Goodyear Tire and Rubber announced a stock swap agreement worth about $825m to acquire Celeron, a Louisiana natural gas transmission systems company.

In the bond and money markets, the Federal Funds rate continued unchanged around 8⅝ per cent but Treasury Bills were quoted about seven basis points above Monday's closing levels at around 8.54 per cent for the three-month and 8.90 per cent for the six-month bill, both on a bond equivalent basis.

Interest rates elsewhere were left broadly unchanged to slightly higher after another day of relative inactivity in the bond markets. Dealers attributed much of the lethargy, in both the corporate and the government sectors, to a continuing scarcity of new corporate issues. This was depriving the secondary markets, they said, of an issue calendar to help dealers determine professional trading levels with any confidence.

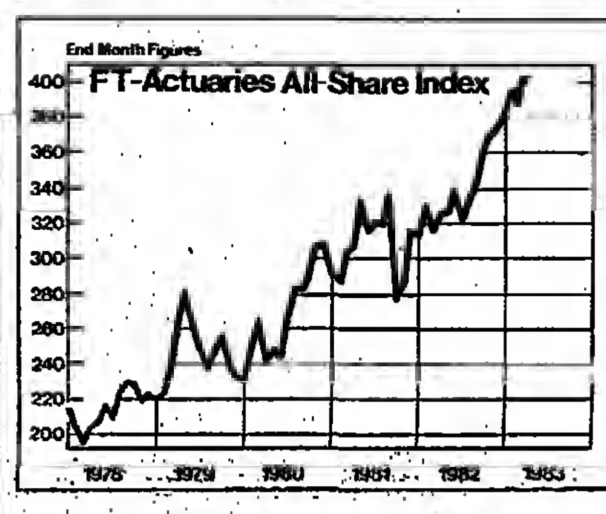
Yields in the corporate market are still at historically low premiums over the government market, suggesting a reasonably firm level of underlying retail demand.

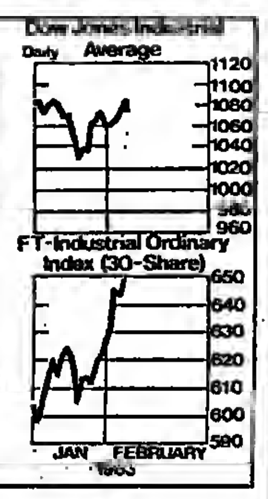
A two-tranche $200m issue for Hydro Quebec is due to be priced today. Talk in the market yesterday suggested yields might be expected around 11.65 per cent for the six-year portion and 13.25 per cent for the 30-year component.

The medium- and long-term government bonds ended trading at around 11 and 11.12 per cent respectively.

A broad-based rally got under way at the outset in Toronto, with resource issues particularly strong – golds, base metals and oils alike. Initial firmness in banking stocks helped underpin a similar trend in Montreal, but the Vancouver exchange languished somewhat further behind.

## KEY MARKET MONITORS




### STOCK MARKET INDICES

| | Feb 8 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1075.33 | 1087.1 | 833.43 |
| DJ Transport | 477.68 | 483.64 | 345.95 |
| DJ Utilities | 125.46 | 125.74 | 105.48 |
| S&P Composite | 145.70 | 146.93 | 114.63 |
| **LONDON** | | | |
| FT Ind Ord | 649.4 | 643.0 | 563.2 |
| FT-A All-share | 404.85 | 401.08 | 324.06 |
| FT-A 500 | 437.93 | 435.05 | 343.75 |
| FT-A Ind | 413.26 | 410.78 | 313.89 |
| FT Gold mines | 712.0 | 675.0 | 287.0 |
| FT Govt secs | 78.09 | 77.55 | 64.39 |
| **TOKYO** | | | |
| Nikkei-Dow | 8,027.20 | 8,010.91 | 7,784.89 |
| Tokyo SE | 584.48 | 583.47 | 574.07 |
| **AUSTRALIA** | | | |
| All Ord. | 504.3 | 503.2 | 545.9 |
| Metals & Mins. | 441.2 | 440.9 | 394.9 |
| **AUSTRIA** | | | |
| Credit Aktien | 48.95 | 49.17 | 55.14 |
| **BELGIUM** | | | |
| Belgian SE | 104.67 | 103.82 | 94.61 |
| **CANADA** | | | |
| Toronto Composite | 2075.7 | 2065.04 | 1689.40 |
| Montreal Industrials | 356.25 | 353.34 | 294.8 |
| Combined | 343.02 | 340.09 | 279.97 |
| **DENMARK** | | | |
| Copenhagen SE | 104.13 | 103.51 | 97.01 |
| **FRANCE** | | | |
| CAC Gen | 104.10 | 103.8 | 107.6 |
| Ind. Tendance | 108.00 | 107.2 | 117.6 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 252.75 | 253.51 | 227.93 |
| Commerzbank | 764.7 | 760.7 | 695.2 |
| **HONG KONG** | | | |
| Hang Seng | 896.84 | 891.01 | 1322.39 |
| **ITALY** | | | |
| Banca Comm. | 189.93 | 186.13 | 187.52 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 106.4 | 105.7 | 87.6 |
| ANP-CBS Ind | 92.5 | 92.0 | 68.6 |
| **NORWAY** | | | |
| Oslo SE | 134.11 | 134.77 | 110.39 |
| **SINGAPORE** | | | |
| Straits Times | 779.19 | 774.08 | 786.07 |
| **SOUTH AFRICA** | | | |
| Golds | 983.5 | 1034.4 | 540.2 |
| Industrial | 813.2 | 829.5 | 710.8 |
| **SPAIN** | | | |
| Madrid SE | 103.59 | 103.85 | 106.65 |
| **SWEDEN** | | | |
| J & P | 1,144.18 | 1072.65 | 604.2 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 303.6 | 302.4 | 251.3 |

### GOLD (per ounce)

| | Feb 8 | Prev |
|---|---|---|
| London | $497.25 | $493 |
| Frankfurt | $497.50 | $491.50 |
| Zürich | $497.50 | $491.50 |
| Paris | $497.75 | $496.05 |
| New York futures (Feb) | $492.70 | $494.20 |

* indicates latest pre-close figure

### CURRENCIES

| | U.S. DOLLAR Feb 8 | U.S. DOLLAR Previous | STERLING Feb 8 | STERLING Previous |
|---|---|---|---|---|
| £ | 1.5375 | 1.5325 | – | – |
| DM | 2.4410 | 2.4525 | 3.75½ | 3.76 |
| Yen | 237.30 | 237.50 | 365 | 364 |
| FFr | 6.9225 | 6.9575 | 10.64¼ | 10.66½ |
| SwFr | 2.0165 | 2.0230 | 3.10¼ | 3.10¼ |
| Guilder | 2.6900 | 2.6960 | 4.13¾ | 4.13¼ |
| Lira | 1404 | 1415¾ | 2158½ | 2168½ |
| BFr | 47.81 | 48.17 | 73.50 | 73.80 |
| C$ | 1.2240 | 1.2250 | 1.8825 | 1.8770 |

### INTEREST RATES

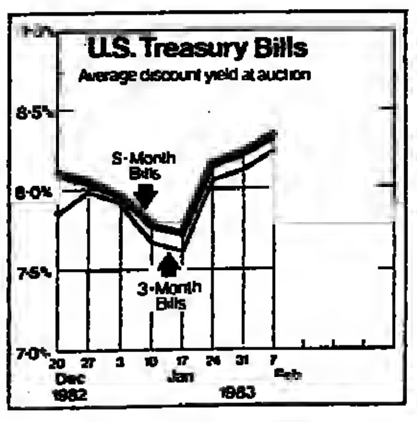
| | Feb 7 | Prev |
|---|---|---|
| **Euro-currencies** (three month offered rate) | | |
| £ | 11 3/16 | 11⅜ |
| SwFr | 3 5/16 | 3 5/16 |
| DM | 5 13/16 | 5⅞ |
| FFr | 21⅜ | 21⅜ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 9 7/16 | 9½ |
| 6-month U.S.$ | 9¾ | 9 13/16 |
| **U.S. Fed Funds** | 8⅝ | 8⅜ |
| **U.S. 3-month CDs** | 8.90 | 9 |
| **U.S. 3-month T-bills** | 8.28 | 8.19 |

### FINANCIAL FUTURES

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| **CHICAGO** | | | | |
| **U.S. Treasury Bonds (CBT)** 8% $100,000 32nds of 100% | | | | |
| March | 72–28 | 73–13 | 72–26 | 73–01 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| March | 91.64 | 91.77 | 91.62 | 91.68 |
| **Cert Deposit (IMM)** $1m points of 100% | | | | |
| March | 90.99 | 91.09 | 90.97 | 90.92 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| March | 90.62 | 90.63 | 90.48 | 90.41 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| March | 99–28 | 100–03 | 99–10 | 98–26 |
| **Three-month Sterling Deposit** £250,000 points of 100% | | | | |
| March | 89.23 | 89.23 | 89.13 | 88.98 |

### LONDON COMMODITY MARKETS

| | Feb 8 | Prev |
|---|---|---|
| Silver (spot fixing) | 914.1p | 899.75p |
| Copper (Cash) | £1047.50 | £1049.50 |
| Coffee (March) | £1700.00 | £1703.50 |
| Oil (spot Arabian light) | $29.77 | $29.85 |




## LONDON

# Confident three-part harmony

BUOYANT equity and gold share markets yesterday reached new highs and even gilt-edged securities managed an unexpected show of strength as the sector, if only temporarily, severed its recent shackles of exchange rate uncertainties.

The three investment areas were motivated by separate reasons, with industrials taking their guide from Wall Street trends and mounting optimism about the world economic outlook, South African golds responding further to that country's abolition of its dual exchange rate structure, and British Funds attracting buying interest on declining short-term interest rates in the U.S. and Europe allied to sterling's continued better showing against the dollar.

The gilt-edged sector, which has recently lacked impetus, readily responsed to improved demand and longer-dated stocks rose 1½ points before tailing off a little towards the close. Trade at the shorter end also picked up and gains there extended to ⅜.

Blue chip and secondary equities were selectively bought, despite the counter-attraction of today's offer-for-sale in Associated British Ports which is expected to fetch a massive oversubscription.

Stock shortages gave many equities added momentum and the FT Industrial Ordinary share index closed 6.4 up at a record 819.1 in the face of some early uncertainty on Wall Street.

Johannesburg buying in South African golds was both immediate and sizeable and caught the London market short of stock at the outset. The stock shortage eased during the day, owing to London and continental profit-taking, but many issues closed with some of their biggest-ever one-day gains.

The FT Gold Mines index shot up 37 points to a record 712.0. Aiding the upward movement was a firm showing by the bullion price, which closed $4.25 abead at $497.25 an ounce. The outstanding performance in the heavyweights came from Randfontein, which jumped £6 to a record £93.

South African financials mirrored the pattern, with Amgold and GFSA up more than £3 apiece at £82¾ and £86⅛ respectively while the thinly-traded Anglovaal jumped £5 to £44 and De Beers 20p to a 1982-3 high of 505p.

## AUSTRALIA

# Muted revival

A FIRMER bias emerged in Sydney as the immediate reaction to the calling of a snap federal election gave way to a more considered view of its likely repercussions. Steadier world bullion prices assisted a correction for which the market was already due, dealers said.

The upturn was muted and based on low turnover, however, at 1.83m shares, but advances still outweighed declines by 138 to 119.

BHP recouped eight cents to A$8.40 while North Broken Hill, which on Monday announced a one-for-four rights issue, fell 24 cents to A$2.38. EZ Industries, which as a consequence will have to find A$8.64m to maintain its holding in North BH, plunged 55 cents to A$4.85.

Speculative resource issues showed the best of isolated gains in Melbourne as participants waited for opinion poll pointers.

## SOUTH AFRICA

# Setback offset

A STRONGER bullion price was all Johannesburg's gold leaders required to facilitate an upward correction after the sharp losses sustained on the removal of exchange controls on non-residents, and Monday's 10 per cent setback in values was generally more than offset.

Southvaal, for instance, ended R6 stronger at R75.50 against a R73.25 close on Friday, and the trend was mirrored in mining financials with a R9 rise for Amgold at R145.50.

## FAR EAST

# Strengths remain selective

A WEAKER dollar coupled with overnight strength on Wall Street gave a firmer tone to the region's main markets yesterday, but trading was relatively quiet and buying interest selective.

International populars in **Tokyo** finished mixed, in the light of the close watch being kept by the exchange authorities on the high levels of margin debt which have accumulated in recent weeks. The Nikkei-Dow Jones market average nonetheless managed a 16.29 improvement to 8,027.20 on volume of 380m shares.

One dealer said of the blue chips: "The fact that many of them are stalling, despite the fact that Wall Street is approaching a record high, indicates that this correction period will continue for a while longer."

Prospects of a Japanese discount rate cut should become clearer later in the month, however.

Speculative buying pushed Mitsui Mining and Smelting up Y100, the permitted limit, to close at Y820. Mitsubishi Metal followed with a Y61 gain to Y458 and Sumitomo Metal Mining Y70 to Y1,310. The gains were attributed partly to unsubstantiated rumours of a Mitsui gold find in south-western Japan and partly to a technical reaction after profit-taking on Monday.

The yen's rise, along with expectations of lower oil prices, took Maruzen Oil up Y12 to Y442, Tokyo Electric Power Y40 to Y1,070 and Kansai Electric Power Y30 to Y995.

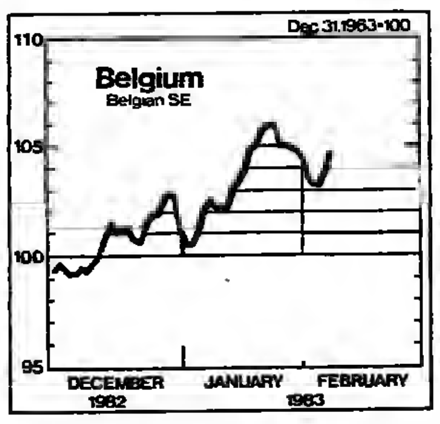
Prominent losses included Sony, down Y70 to Y3,340; Honda Motor, Y17 to Y960; and Victor Japan, Y40 to Y1,870. Fuji Photo achieved a Y20 upturn against the trend to Y1,810, and the second market rose more sharply in active trading.

Government bond prices levelled off with slight advances in hesitant trading.

A scant volume of dealings in **Hong Kong** left prices edging higher, and the Hang Seng index 5.63 firmer at 896.84. Speculative demand was in evidence for two second-liners – Wing Lung Bank, which gained HK$2.75 to HK$43.50, and Chuang's Holdings, which added two cents to HK$1.18.

Among the blue chips, Hutchison Whampoa led the advances, 30 cents up at HK$12.20. Properties showed five-cent gains for Hongkong Land at HK$5 and Sun Hung Kai at HK$5.95.

Afternoon buying support sustained **Singapore** values, leaving the Straits Times industrial index 5.15 firmer at 779.19. Hotels, properties and commodities all showed strength, and the recently favoured Faber Merlin group rose three cents to S$1.97.




## EUROPE

# Progress is sustained at modest pace

BOURSE OPERATORS, similarly to their counterparts in the Far East, devoted much of their attention yesterday to the course of overnight trading in New York and the day's downward path of the U.S. dollar. Bereft of major domestic imperatives to buy, they appeared to be sufficiently encouraged by these trends, and continental European stock markets on the whole received the support necessary to sustain the previous day's modest advances.

Another lively **Brussels** session was assisted upward by glimmerings of an American economic upturn and by an improved domestic political climate. The Belgian SE index rose 0.85 to 104.67 and the all-share index, embracing a steady foreign sector, added 5.11 to 278.37.

Utilities were sought, reflecting their high yields and popularity with the country's new investment funds. Electrafina was up BFr 60 to BFr 2,995, Electrobel BFr 170 to BFr 4,670 and Traction-el BFr 137 to BFr 2,805.

Non-ferrous metals and chemicals did well but holding company issues and steels moved up more modestly.

Banks, somewhat overlooked in recent days in **Frankfurt**, came to the fore with gains of DM 2.80 for Dresdner at DM 137.50, DM 2.20 for Commerzbank at DM 126.50, and DM 4.20 for Deutsche Bank to reach DM 264. A higher dividend proposal by Bayerische Vereinsbank brought it a DM rise to DM 295.

Turnover picked up in **Zurich**, with a significant amount of attention diverted to speculative second-line stocks, but many more established issues recorded cautious gains too.

One dealer said reaction to news of a 0.1 point fall in the inflation rate was muted, as most market participants had expected a sharper slowdown.

In **Milan**, industrials and banking issues strenghtened in heavy trading, but scattered declines remained in evidence. One broker said much of the rise was due to expectations of swift parliamentary sanction for the creation of mutual funds, thought to herald expanded liquidity for the bourse.

Dealings in **Paris** continued at a slow pace, however, and the extent of gains was limited. Portfolios, vehicles, constructions and engineerings improved but hotels and stores were weaker.

**Stockholm** encountered record trading volume in a resurgence of buying interest which covered almost all sectors. Alfa-Laval, the diversified food and technology group, added a further SKr 30 to SKr 395. Of the car-makers, Volvo firmed SKr 10 to SKr 345 but Saab-Scania hold steady.

Advances maintained their edge over declines in **Amsterdam** but few major movements were seen. Royal Dutch fared well with a Fl 1.70 advance to Fl 96.10 while most other international issues had gains pared by the close.

Electricals led a decline in **Madrid**, and banks were weaker where changed: Bilbao and Central each lost Pta 2 to Pta 216 and Pta 265 respectively.

# NEW YORK STOCK EXCHANGE CLOSING PRICES

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 10½ | 5¼ | AAR | .44 | 4.5 | 24 | 39 | 10 | 9⅝ | 9⅞ | −⅛ |
| 38 | 27½ | ACF | 2.76 | 8.0 | 6 | 51 | 34⅛ | 33⅞ | 34⅛ | −¼ |
| 22⅞ | 12¼ | AVF | 1.36 | 7.7 | 6 | 481 | 18 | 17⅝ | 17⅝ | |
| 25¼ | 10⅛ | AMR Cp | | | | 2234 | 23⅞ | 22⅝ | 22⅞ | −1⅛ |
| 12⅛ | 4 | AMR | wt | | | 518 | 10⅜ | 10⅛ | 10⅛ | −⅛ |
| 17⅞ | 12¼ | AMR | pf2.18 | 13. | | 21 | 17⅛ | 17⅛ | 17⅛ | −⅛ |
| 28½ | 27¼ | AMR | pf2.13 | 8.1 | | 405 | 27⅞ | d26¼ | 26⅞ | −1¼ |
| 5⅛ | 2½ | APL | | | 18 | 9 | 3½ | 3½ | 3½ | |
| 38 | 23½ | ARA | 2 | 5.5 | 11 | 63 | 36⅝ | 36⅛ | 36⅝ | +¼ |
| 79⅞ | 24½ | ASA | 3a | 4.1 | | 605 | 76 | 73¼ | 74 | −⅛ |
| 26⅞ | 12¼ | AVX | .32 | 1.3 | 39 | 119 | 25½ | 24⅞ | 25⅛ | −⅛ |
| 41⅞ | 27 | AbtLab | .84 | 2.2 | 16 | 3700 | 38⅝ | 37⅛ | 37⅞ | −⅞ |
| 23¾ | 15⅛ | AcmeC | 1.40 | 7.5 | 21 | 50 | 18⅝ | 18⅛ | 18⅝ | −⅛ |
| 11 | 5¼ | AcmeE | .32b | 3.1 | 27 | 1264 | 10⅝ | 10 | 10¼ | |
| 10¼ | 4¼ | AdmDg | .04 | .5 | 10 | 5 | 8¼ | 8¼ | 8¼ | |
| 17⅞ | 12⅞ | AdaEx | 1.73e | 11. | | 103 | 15¼ | 15¼ | 15¼ | +⅛ |
| 9¼ | 4⅛ | AdmMl | .20e | 2.2 | 17 | 17 | 9⅛ | 8¼ | 9¼ | |
| 17⅛ | 12⅞ | Advest | .16 | 1.1 | 10 | 30 | 15¼ | 14⅛ | 14⅞ | −⅛ |
| 38¼ | 11⅛ | AMD | | | 53 | 2146 | 37 | 34¼ | 34¼ | −2⅛ |
| 40¼ | 32⅞ | AetnLf | 2.52 | 7.4 | 6 | 4669 | 34¼ | 33¼ | 33⅞ | −⅛ |
| 33¼ | 8 | Ahmns | .60 | 2.2 | | 43 | 27½ | 27 | 27 | −⅛ |
| 4 | 2⅞ | Aileen | | | | 118 | 3½ | 3⅛ | 3¼ | |
| 40 | 23⅛ | AirPrd | .80 | 1.8 | 13 | 185 | 44⅛ | 43¼ | 43⅞ | −⅞ |
| 20⅞ | 7¼ | AirbFrt | .60 | 3.1 | 24 | 157 | 19⅞ | 19 | 19½ | +¼ |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 27



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# AMERICAN STOCK EXCHANGE CLOSING PRICES

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 11⅛ | 5⅛ | AAV | .32 | 2.8 | 7 | 16 | 11⅛ | 11⅛ | 11⅛ | +⅛ |
| 4⅛ | 2⅛ | AICPh | | | | 25 | 4½ | 4⅛ | 4⅛ | −⅛ |
| 3⅛ | 1 | ATI | | | 14 | 38 | 3 | 2⅞ | 2⅞ | −⅛ |
| 5⅞ | 1⅛ | AcmePr | | | 55 | 154 | u6 | 5⅞ | 6 | +⅛ |
| 21⅛ | 12⅛ | AcmeU | .40 | 2.0 | 17 | 5 | 20⅛ | 20⅛ | 20⅛ | |
| 22⅛ | 2⅛ | Action | | | 5 | 72 | 20½ | 19⅞ | 19⅞ | −⅝ |
| 9⅞ | 5⅛ | Actons | .10r | 1.2 | | 131 | 8⅞ | 6⅞ | 6⅞ | −⅛ |
| 3⅛ | ⅞ | Acton | wt | | | 18 | 2⅞ | 2⅞ | 2⅞ | |
| 10⅛ | 1⅛ | AdmRs | .10 | 3.8 | | 12 | 2⅞ | 2½ | 2⅞ | |
| 25 | 12 | AdRust | 6 10 | .4 | 23 | 71 | 23⅛ | 23 | 23⅛ | +⅛ |
| 22½ | 11⅛ | Adobe | .20 | 1.1 | 12 | 61 | 18 | 17⅞ | 18 | +½ |
| 3 | 2 | AeginCp | | | 6 | 179 | 2⅞ | 2½ | 2½ | |
| 20⅞ | 7⅞ | Aeroflx | 1.55t | 7.8 | 17 | 73 | 20⅛ | 19⅞ | 20 | −⅛ |
| 6⅞ | 2⅞ | Agronat | | | | 171 | 6⅞ | 5⅞ | 5⅞ | −⅛ |
| 21⅛ | 9⅞ | AlliHop | .32 | 1.6 | 6 | 7 | 19⅞ | 19½ | 19⅞ | −⅛ |
| 28 | 16 | AllPb | s.64 | 2.3 | 50 | 13 | 27⅛ | 26⅞ | 27⅛ | |
| 8⅞ | 3⅞ | AlnStr | | | 9 | 29 | 8⅞ | 8⅞ | 8⅞ | +⅛ |
| 15½ | 4⅞ | AirExp | | | 72 | 83 | 15⅛ | 15⅞ | 15⅞ | −⅛ |
| 14⅞ | 4⅞ | AlskAir | .12a | .9 | 11 | 271 | 13⅞ | 13⅛ | 13⅛ | −½ |
| 10⅞ | 3⅞ | AlbaW | .10e | 1.0 | 17 | 156 | 10 | 9½ | 10 | +⅛ |
| 15½ | 6 | AllenT | .75t | 4.6 | | 58 | u16½ | 15½ | 16⅞ | +⅞ |
| 10 | 6⅞ | AlmySt | | 2.3 | 22 | 36 | 9⅞ | 8⅞ | 8⅞ | −⅛ |
| 9⅞ | 5⅛ | AlphaA | | | 5 | 80 | 9⅞ | 9⅞ | 9⅞ | −⅛ |
| 27½ | 9½ | Alphal | .4 | | 28 | 77 | 21⅛ | 21⅛ | 21⅛ | −⅛ |
| 1⅛ | ½ | Altec | | | | 48 | ⅞ | 13-16 | ⅞ | |
| 6 | 4⅞ | Altec | pf | | | 4 | 5⅞ | 6⅛ | 6⅞ | |
| 2⅞ | 1⅛ | Altex | n | | 183 | 200 | 1⅞ | 1⅛ | 1⅞ | +⅛ |
| ½ | 1-16 | Alx | 83wt | | | 1 | ⅛ | ⅛ | ½ | |
| 41⅞ | 17⅛ | Amdhl | .40 | 1.0 | 166 | 863 | 40⅞ | 39 | 39⅛ | −1⅞ |
| 26⅞ | 6⅛ | Amedc | s.12 | .4 | 28 | 177 | u27½ | 26⅞ | 26⅞ | +⅛ |
| 5 | 3½ | ABM | n | | | 2 | 4⅛ | 4⅛ | 4⅛ | −⅛ |
| 3⅞ | ⅞ | AmCap | | | | 21 | 2⅞ | 2⅞ | 2⅛ | +⅛ |

Continued on Page 28

# NEW YORK STOCK EXCHANGE CLOSING PRICES

Continued from Page 26

| 12 Month High | 12 Month Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 22⅛ | 17⅞ | WshWt | 2 48 | 11 | 7 | 169 | u22⅛ | 21⅞ | 21⅞ | −⅛ |
| 59 | 25½ | Waste | .52 | .9 | 25 | 389 | 58⅞ | 57½ | 57⅞ | −1⅛ |
| 66⅞ | 21½ | Watkn | .48 | .7 | 20 | 102 | 65½ | 64⅛ | 64½ | −1⅛ |
| 11⅞ | 7⅞ | WayGos | .20 | 1.7 | 8 | 25 | u11½ | 11⅞ | 11½ | +½ |
| 5⅞ | 3½ | WeanU | | | | 7 | 4½ | 4⅞ | 4⅞ | |
| 17½ | 4⅞ | WebbD | | | | 669 | u17⅛ | 12⅞ | 12⅛ | +⅛ |
| 42½ | 24⅛ | WesM | s.84 | 2.0 | 14 | 7 | 41⅞ | 41⅞ | 41⅞ | −⅛ |
| 34⅛ | 18⅛ | WellsF | 1.92 | 7.1 | 5 | 217 | 27 | 26½ | 26½ | +⅛ |
| 29⅛ | 17⅛ | WelFM | 2 60 | 11 | 14 | 66 | 26⅛ | 25⅞ | 26½ | −⅛ |
| 16⅞ | 8⅞ | Wendy | s.24 | 1.7 | 13 | 1762 | 14⅞ | 14 | 14⅞ | +⅛ |

Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

# WORLD STOCK MARKETS

## CANADA

## AUSTRIA

## BELGIUM/LUXEMBOURG

## DENMARK

## FRANCE

## GERMANY

## HOLLAND

## HOLLAND (continued)

## ITALY

## NORWAY

## SPAIN

## SWEDEN

## SWITZERLAND

## AUSTRALIA

## HONG KONG

## JAPAN

## JAPAN (continued)

## SINGAPORE

## SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

# LONDON

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| Allen Elec | 360 | −5 |
| Bio-Isolates | 460 | −20 |
| Cons Gold Fields | 579 | −78 |
| Henlys | 102 | −6 |
| ICI | 294 | −2 |
| Marmex | 60 | — |
| Mellins | 216 | +20 |
| North Kalgurli | 50 | −7½ |
| Pres Steyn | £39½ | −2½ |
| Randfontein | £95 | −6 |
| Southvaal | £42½ | −2½ |
| Ultramar | 500 | −7 |

## MONDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List

| Stock | No. of changes | Mon. close | Day's change |
|---|---|---|---|
| Exco Int'l | 29 | 520 | −88 |
| Allen Elec | 25 | 365 | −15 |
| Knight Cmp Int | 23 | 56 | +21 |
| Lon & Liv Tst | 19 | 527 | −11 |
| RTZ | 19 | 525 | −23 |
| Carless Capel | 17 | 167 | −11 |
| De Beers D'd | 17 | 465 | −7 |
| BOC | 16 | 172 | −3 |
| Bio-Isolates | 16 | 420 | −10 |
| Free State Devs | 15 | 39 | −6 |
| Keep Invests | 15 | 23 | −2½ |
| BAT Inds | 14 | 730 | −10 |
| Cns Gold Flds | 13 | 562 | −5 |
| Ultramar | 13 | 507 | −11 |

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 81 | — | 10 |
| Corpns. Dom. and Foreign Bonds | 35 | 3 | 38 |
| Industrials | 443 | 211 | 077 |
| Fin. and Props. | 170 | 50 | 288 |
| Oils | 15 | 30 | 66 |
| Plantations | 1 | 3 | 18 |
| Mines | 84 | 17 | 48 |
| Others | 52 | 62 | 35 |
| Totals | 887 | 316 | 1,186 |

## NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (198)

NEW LOWS (13)

# FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

| | EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section) | Tues Feb 8 1983 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Mon Feb 7 Index No. | Fri Feb 4 Index No. | Thur Feb 3 Index No. | Wed Feb 2 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (208) | 438.00 | +0.8 | 2.04 | 3.91 | 13.82 | 434.61 | 435.21 | 434.08 | 426.73 | 371.30 |
| 2 | Building Materials (24) | 428.49 | +0.6 | 9.85 | 4.43 | 12.23 | 425.83 | 429.39 | 429.95 | 423.06 | 328.57 |
| 3 | Contracting, Construction (30) | 775.41 | +0.9 | 11.36 | 4.25 | 10.49 | 768.24 | 765.60 | 758.22 | 747.41 | 584.89 |
| 4 | Electricals (32) | 1616.31 | +0.8 | 7.44 | 2.14 | 17.23 | 1603.13 | 1601.93 | 1600.16 | 1578.08 | 1252.11 |
| 5 | Engineering, Contractors (10) | 406.26 | +0.1 | 17.25 | 7.36 | 7.09 | 405.98 | 404.52 | 404.65 | 394.78 | 510.91 |
| 6 | Mechanical Engineering (66) | 207.43 | +0.7 | 10.96 | 5.63 | 11.38 | 206.03 | 206.25 | 205.98 | 201.55 | 198.07 |
| 8 | Metals and Metal Forming (11) | 169.23 | +1.0 | 12.85 | 7.35 | 9.34 | 166.29 | 167.02 | 167.73 | 167.45 | 175.77 |
| 9 | Motors (18) | 86.70 | +1.4 | 0.45 | 7.24 | — | 85.50 | 85.81 | 86.77 | 82.54 | 98.77 |
| 10 | Other Industrial Materials (17) | 407.32 | +0.5 | 8.60 | 5.24 | 14.47 | 405.37 | 406.00 | 399.11 | 389.84 | 406.11 |
| 21 | CONSUMER GROUP (201) | 420.87 | +0.5 | 9.94 | 4.22 | 12.21 | 418.85 | 419.97 | 420.92 | 414.51 | 290.24 |
| 22 | Brewers and Distillers (23) | 475.75 | +1.6 | 10.62 | 4.50 | 11.50 | 468.21 | 469.08 | 469.33 | 458.16 | 282.37 |
| 25 | Food Manufacturing (21) | 344.67 | +0.6 | 13.25 | 5.35 | 8.84 | 342.63 | 345.19 | 344.30 | 342.60 | 288.30 |
| 26 | Food Retailing (14) | 855.84 | +0.8 | 7.44 | 2.83 | 16.89 | 848.79 | 853.99 | 854.86 | 850.12 | 595.19 |
| 27 | Health and Household Products (8) | 720.22 | +0.5 | 5.47 | 2.53 | 21.68 | 716.64 | 717.98 | 722.60 | 707.46 | 382.37 |
| 29 | Leisure (24) | 501.38 | +0.5 | 8.14 | 4.81 | 15.95 | 498.77 | 495.15 | 494.98 | 486.76 | 439.36 |
| 32 | Newspapers, Publishing (13) | 710.05 | −0.2 | 8.71 | 4.56 | 15.31 | 711.68 | 707.88 | 707.87 | 703.23 | 499.44 |
| 33 | Packaging and Paper (14) | 162.47 | +0.2 | 14.34 | 6.90 | 8.19 | 162.10 | 163.44 | 164.43 | 161.17 | 145.29 |
| 34 | Stores (47) | 363.01 | −0.4 | 8.34 | 3.79 | 15.89 | 364.48 | 364.83 | 367.01 | 361.46 | 262.57 |
| 35 | Textiles (23) | 191.86 | +1.0 | 12.42 | 5.99 | 9.81 | 190.00 | 188.48 | 187.67 | 183.25 | 166.89 |
| 36 | Tobaccos (3) | 510.23 | −0.1 | 17.19 | 5.43 | 6.43 | 510.56 | 515.33 | 516.31 | 512.86 | 299.34 |
| 39 | Other Consumer (11) | 370.72 | +1.8 | 2.27 | 3.75 | — | 364.26 | 367.67 | 363.38 | 362.24 | 277.38 |
| 41 | OTHER GROUPS (77) | 314.60 | +0.6 | 10.85 | 5.21 | 11.08 | 312.62 | 311.30 | 310.76 | 307.65 | 257.97 |
| 42 | Chemicals (15) | 413.94 | +0.4 | 11.91 | 5.85 | 9.98 | 412.32 | 409.40 | 410.75 | 404.68 | 345.29 |
| 44 | Office Equipment (5) | 100.34 | +1.1 | 11.03 | 5.70 | 11.38 | 99.24 | 98.58 | 99.81 | 100.11 | 128.76 |
| 45 | Shipping and Transport (13) | 560.30 | +2.5 | 15.46 | 7.59 | 7.70 | 546.86 | 540.54 | 537.51 | 529.79 | 578.67 |
| 46 | Miscellaneous (44) | 445.05 | +0.4 | 0.91 | 4.08 | 13.67 | 443.20 | 443.24 | 440.11 | 437.30 | 319.75 |
| 49 | INDUSTRIAL GROUP (496) | 423.26 | +0.6 | 2.75 | 4.24 | 12.54 | 420.78 | 421.34 | 411.36 | 405.16 | 313.89 |
| 51 | Oils (14) | 712.19 | +1.0 | 17.76 | 8.12 | 6.64 | 704.83 | 704.03 | 707.29 | 704.92 | 680.35 |
| 59 | 500 SHARE INDEX | 437.93 | +0.7 | 10.86 | 4.78 | 11.17 | 435.05 | 435.49 | 436.78 | 429.92 | 343.75 |
| 61 | FINANCIAL GROUP (121) | 299.93 | +1.0 | — | 5.89 | — | 296.93 | 297.06 | 300.08 | 294.76 | 256.10 |
| 62 | Banks (6) | 309.81 | +0.1 | 32.55 | 7.79 | 3.36 | 309.50 | 309.73 | 315.09 | 308.75 | 280.82 |
| 63 | Discount Houses (8) | 288.50 | −0.3 | — | 8.46 | — | 289.25 | 283.39 | 272.39 | 271.24 | 235.25 |
| 65 | Insurance (Life) (9) | 378.61 | +2.8 | — | 5.06 | — | 368.20 | 369.03 | 371.84 | 362.26 | 253.12 |
| 66 | Insurance (Composite) (10) | 201.62 | +1.2 | — | 7.85 | — | 199.32 | 202.20 | 206.58 | 205.03 | 157.99 |
| 67 | Insurance Brokers (7) | 570.17 | +1.0 | 11.26 | 4.78 | 12.36 | 564.48 | 564.88 | 566.85 | 562.54 | 437.64 |
| 68 | Merchant Banks (13) | 170.12 | +0.2 | — | 5.07 | — | 169.72 | 168.91 | 167.18 | 166.58 | 152.60 |
| 69 | Property (54) | 451.01 | +1.8 | 5.72 | 3.97 | 23.08 | 446.72 | 445.79 | 445.95 | 434.06 | 454.12 |
| 70 | Other Financial (14) | 225.58 | +0.8 | 12.38 | 5.22 | 9.59 | 223.74 | 217.25 | 220.13 | 215.71 | 187.13 |
| 71 | Investment Trusts (109) | 402.40 | +0.6 | — | 4.17 | — | 400.11 | 399.85 | 397.09 | 395.54 | 315.20 |
| 81 | Mining Finance (4) | 276.39 | +2.9 | 7.43 | 5.14 | 10.83 | 268.59 | 275.93 | 274.31 | 272.65 | 230.75 |
| 91 | Overseas Traders (16) | 442.10 | +0.2 | 11.29 | 8.18 | 11.70 | 442.01 | 439.77 | 442.55 | 436.85 | 429.52 |
| 99 | ALL-SHARE INDEX (750) | 404.85 | +0.8 | — | 4.97 | — | 401.80 | 402.34 | 403.02 | 397.61 | 324.06 |

## FIXED INTEREST

| | PRICE INDICES | Tues Feb 8 | Day's change % | Mon Feb 7 | xd adj. today | xd adj. 1983 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 116.58 | +0.32 | 116.62 | 8.41 | 1.39 |
| 2 | 5-15 years | 125.07 | +0.83 | 124.03 | — | 1.78 |
| 3 | Over 15 years | 131.74 | +1.11 | 130.29 | — | 0.14 |
| 4 | Irredeemables | 136.10 | +0.90 | 134.89 | — | 0.00 |
| 5 | All Stocks | 124.32 | +0.76 | 123.51 | 0.13 | 1.20 |
| 6 | Debentures and Loans | 99.49 | +0.24 | 99.25 | — | 0.64 |
| 7 | Preference | 76.09 | +0.03 | 76.07 | — | 8.32 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Tues Feb 8 | Mon Feb 7 | Year ago (approx.) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low | 5 years | 9.14 | 9.22 | 12.78 |
| 2 | Coupons | 15 years | 10.70 | 10.80 | 13.72 |
| 3 | | 25 years | 10.96 | 11.05 | 13.50 |
| 4 | Medium | 5 years | 11.59 | 11.74 | 15.45 |
| 5 | Coupons | 15 years | 11.77 | 11.92 | 15.28 |
| 6 | | 25 years | 11.36 | 11.51 | 14.70 |
| 7 | High | 5 years | 11.75 | 11.90 | 15.51 |
| 8 | Coupons | 15 years | 11.95 | 12.10 | 15.43 |
| 9 | | 25 years | 11.53 | 11.68 | 15.05 |
| 10 | Irredeemables † | | 10.92 | 11.02 | 13.08 |
| 11 | Debs & Loans | 5 years | 12.74 | 12.81 | 16.22 |
| 12 | | 15 years | 12.78 | 12.81 | 16.06 |
| 13 | | 25 years | 12.82 | 12.82 | 15.97 |
| 14 | Preference † | | 13.11 | 13.12 | 15.62 |

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Feb 7 | Feb 18 | May 19 | May 31 |
| Feb 28 | Mar 11 | June 2 | June 13 |
| Mar 14 | Mar 25 | June 16 | June 21 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call included Unitech, Premier Oil, Davy, Gill and Duffus, Polly Peck, First National Finance, Barker and Dobson, Mettoy, Akroyd and Smithers, King and Shaxson, Vickers, Audiotronic,

## FINANCIAL TIMES STOCK INDICES

| | Feb. 8 | Feb. 7 | Feb. 4 | Feb. 3 | Feb. 2 | Feb. 1 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs. | 78.02 | 77.55 | 77.46 | 77.21 | 77.18 | 77.23 | 64.69 |
| Fixed Interest | 72.96 | 79.72 | 72.72 | 79.70 | 79.22 | 79.03 | 65.08 |
| Industrial Ord. | 648.4 | 643.0 | 644.0 | 646.8 | 632.2 | 628.4 | 563.2 |
| Gold Mines | 712.0 | 675.0 | 668.5 | 676.8 | 673.3 | 698.0 | 287.0 |
| Ord. Div. Yield | 4.74 | 4.77 | 4.76 | 4.73 | 4.84 | 4.85 | 5.44 |
| Earnings, Yld.% (full) | 10.15 | 10.21 | 10.20 | 10.14 | 10.40 | 10.43 | 9.6 |
| P/E Ratio (net) (*) | 11.83 | 11.76 | 11.78 | 11.84 | 11.54 | 11.51 | 16.65 |
| Total bargains | 26,276 | 23,935 | 27,440 | 21,853 | 25,064 | 26,616 | 12,566 |
| Equity turnover £m. | — | 203.26 | 252.55 | 281.35 | 297.92 | 304.77 | 151.1 |
| Equity bargains | — | 23,092 | 25,214 | 24,899 | 23,843 | 25,059 | 16,48 |
| Shares traded (ml) | — | 142.9 | 185.8 | 203.9 | 201.6 | 196.1 | 103.4 |

10 am 645.1. 11 am 644.2. Noon 646.6. 1 pm 647.2. 2 pm 648.9. 3 pm 648.9.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1926. Industrial 1/7/35.

*Nil = 11.01.

Gold Mines 12/10/56. SE Activity 1974.

Latest Index 01-246 8026.

## HIGHS AND LOWS

| | 1982/3 High | 1982/3 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 85.64 (5/11) | 61.89 (5/1/82) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 87.02 (12/11) | 62.72 (7/1/82) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 694.8 (8/2/83) | 518.1 (5/1/82) | 649.4 (8/2/83) | 49.4 (26/6/40) |
| Gold Mines | 712.0 (8/2/83) | 181.2 (22/8) | 712.0 (8/2/83) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | Feb. 7 | Feb. 4 |
|---|---|---|
| Daily | | |
| Gilt Edged Bargains | 178.7 | 174.4 |
| Equities Bargains | 149.6 | 163.4 |
| Value | 410.6 | 524.6 |
| 5 day Avrge | | |
| Gilt Edged Bargains | 166.2 | 161.8 |
| Equities Bargains | 158.8 | 163.8 |
| Value | 544.5 | 557.5 |

# NEW YORK AND CANADA

## Indices

### NEW YORK

### STANDARD AND POORS

### N.Y.S.E. ALL COMMON

### RISES AND FALLS

| | | | |
|---|---|---|---|
| Issues traded | 1983 | 918 | 872 |
| Rises | 680 | 44 | 40 |
| Falls | 877 | 547 | 487 |
| Unchanged | 346 | 325 | 345 |

### MONTREAL

### TORONTO

# AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 27

# NEW YORK CLOSING PRICES

Continued from Page 27

# COMMODITIES AND AGRICULTURE

## U.S. may sell dairy goods to Egypt

BY NANCY DUNNE IN WASHINGTON

THE U.S. is reportedly negotiating a special deal to sell some of its surplus dairy products to Egypt.

Top officials at the Department of Agriculture here said no dairy sales had been completed with Egypt, but they did not deny that negotiations were under way.

The deal is expected to be announced after the talks between the U.S. and the EEC in Brussels this week, seeking ways to avoid an agricultural trade war.

It is understood that President Reagan has vetoed a proposal by a large U.S. trader to barter American butter for Soviet nickel supplies but there are still hopes a deal may yet be concluded.

Certainly Congress is in the mood to follow up the "warning shot" to the European Community delivered by the U.S. sale of 1m tonnes of subsidised wheat flour to Egypt.

Seven Bills have been introduced to provide legislative backing for stepping up subsidised export sales. Senator Jesse Helms, chairman of the Senate Agriculture Committee, has already introduced a Bill requiring the sale of 150,000 tonnes of dairy surpluses in each of the next three years.

Half of the proceeds would pay for "export assistance" such as direct, or credit, subsidies.

Senator Robert Dole, powerful chairman of the Finance Committee, said he had encouraged the Administration to conclude more deals like the flour sale to Egypt.

Senator Dole added that he agreed with the late Senator Hubert Humphrey who had said: "We should trade the Russians anything they cannot shoot back at us."

## French block on NZ butter

BY LARRY KLINGER IN BRUSSELS

FRANCE has again blocked this year's arrangements for New Zealand butter imports to Britain, except for a further temporary one-month extension.

Paris, supported by the Irish Government, is withholding full ratification of the latest EEC arangements for the import of 87,000 tonnes at preferential terms, demanding that the European Commission first relax its rules governing potential exports of subsidised EEC butter to the Soviet Union.

Reaction to the French decision, which was announced at yesterday's EEC Council of Agriculture Ministers, was exceedingly low-keyed compared to the heated Anglo-French exchanges over the issue which had marred past council sessions.

This led some officials to say privately that they now expected France to drop its objections during next month's talks on the fixing of EEC farm prices for 1983-84.

Nevertheless, Britain again made clear that it considered France's stand on the New Zealand deal, to which Paris has agreed in principle, as a serious abuse of an EEC member-state's veto power.

New Zealand, while not hit economically as long as its arrangements continue to be extended on a monthly basis at a twelfth of the original agreement, still remains seriously concerned by the future uncertainty posed by French policy.

## KL rubber futures will be delayed

KUALA LUMPUR — Rubber futures trading on the Kuala Lumpur commodities exchange, due to begin on March 1, will be delayed.

A senior exchange official said the statutory Commodity Trading Council had recommended that the government give the go-ahead for trading, which would be introduced at "an appropriate time."

The Government was reportedly reluctant to begin rubber futures trading in a depressed market.

Prices on the Malaysian rubber market advanced strongly during the last few trading days, rising above the R2 (£0.64) per kilo mark, market dealers said.

Dealing was active with March Int. One RSS buyers rising gradually to close at a late 213 cents per kilo high yesterday.

The bullish sentiment was attributed to a general strong demand for rubber, both locally and overseas, dealers said.

Brokers confirmed that the Soviet Union and U.S. had purchased sheet and latex grade rubber here last week but were unable to disclose the price, tonnage and shipment.

There was brisk activity in the SMRs and forwards sectors and prices rose gradually, prompted by good short-covering and hedge buying.

Dealers said the declining interest rates, forecast pick-up car sales coupled with the wintering period for natural rubber and higher overseas trends were other firmer factors behind the rise.

The Rubber Association of Indonesia (Gapkindo), grouping exporters, processors and producers, called on the Government to take emergency action to save the country's rubber industry.

Agencies

## Foreign milk ruling comes as no surprise

### Richard Mooney discusses the dairy industry's reactions

YESTERDAY'S European Court ruling that Britain's ban on imports of Continental long-life milk was illegal came as little surprise to the dairy industry.

Stringent UK health and hygiene rules, or at least their method of application, have always been seen by most impartial observers as a ploy to protect domestic suppliers against cheap imports.

The rules do not specifically rule out imports but they require that every bottle or carton of UHT (ultra-heat-treated) milk should be "filled and closed on registered premises."

Registration must be by a British local authority and since local authorities cannot register premises outside their own area this effectively outlaws the sale of foreign milk in Britain unless it is retreated and repacked—which would render it uncompetitive.

The court did not question Britain's right to ensure that milk imports brought no human or animal health risk but ruled that the methods used to achieve this were excessive—a similar judgment to that reached in the poultrymeat import case last year.

But as in that case the adoption of new regulations by the UK Government is likely to take some time. One Ministry of Agriculture official thought it would be "a matter of months rather than weeks."

First the Ministry will "take note" of the ruling. Then it will study it and take legal advice. The next step will be to draw up a new range of hygiene checks which are acceptable to the EEC Commission.

And finally it will be necessary to find time in a busy Parliamentary schedule to pass the necessary domestic legislation.

Mr Peter Walker, Britain's Farm Minister, told the House of Commons last night that in order to deal with the situation created by the judgment and to retain full safeguards for public health, the Government was taking temporary precautions against the import of unsafe milk by prohibiting imports "while the necessary studies and consultations take place."

But while it may be able to delay the final reckoning the Government and dairy industry will now have to accept that the battle is lost.

In the campaign to prevent this outcome the claimed threat to Britain's traditional doorstep delivery system had been given equal prominence with the hygiene and health argument.

The availability of cheap imported milk on supermarket shelves would only have to attract a relatively small number of customers before the milk roundsmen system became uneconomic, it was claimed.

This factor seemed to have been forgotten, however, in most initial trade reactions yesterday.

It was left to Mrs Teresa Wickham, national chairman of the Women's Farmers' Union to warn consumers of this possibility. "This is no bargain and could cost us our doorstep deliveries," she declared.

Understandably, Unigate and Northern Foods, Britain's biggest deliverers, both of whom saw their share prices cut last week as investors became jittery about the impending court ruling, were playing down this threat.

A Unigate official said his company was "perfectly prepared to face the challenge of fair competition," assuming that comparable hygiene standards were enforced on the Continent.

He said he would not expect vast quantities of UHT milk to flood into the country in the short term.

Mr Chris Haskins, vice-chairman of Northern Foods, thought the main threat would be to farmers' returns. If the Continental milk looked like taking a substantial share of the market from the roundsmen, the price premium which gives farmers 12p to 14p a gallon extra for milk going to the liquid market would have to be reduced to compensate, he said.

Even the complete elimination of the liquid premium would not close the gap between the British price and those in some EEC countries, however.

According to figures published recently by the Consumers' Association—but hotly disputed by farmers and processors—British milk costs 1½p a pint more than Denmark's, 2½p more than France's, 3½p more than Holland's and 4½p more than Ireland's.

If, as seems likely, they are unable to compete on price with their new Continental competitors, Britain's dairy farmers will have to pin their hopes on British consumers' attachment to the doorstep delivery system and their general agreement that British milk tastes better.

## NFU's Dracula faction accused of swinish behaviour

BY JOHN CHERRINGTON

BRITAIN'S farmers should support a concerted farming policy which would be acceptable to the EEC, rather than fragmenting into sectional interests, said Sir Richard Butler, president of the National Farmers' Union.

His call for unity was designed to placate intensive farmers—pig, poultry and glasshouse farmers—but divisions between various groups soon became apparent at the NFU general meeting.

True, the opposition led by pig farmers from Lancashire lacked a certain fire. The burden of their complaint was that the Common Agricultural Policy was unfairly tilted towards cereal growers.

What was the point, speakers demanded, of spending £50 per tonne to ship barley to our potential enemies when the same money applied to an incorporation scheme would enable pig farmers to survive.

But other speakers—it would be churlish to say they had been primed—advised pig farmers that even if they had cheaper feed the benefits would be transient.

They should improve their efficiency and above all market better. "Food from Britain" would be launched next week and all Europe was open to the march of British pig meat.

There was a suggestion that cereal growers, the alleged fat cats of the scene, should pay a levy to help pig farmers. One of the aggrieved reiterated that this would be like expecting Dracula to give a pint of blood.

And so the meeting went on to other things, leaving pig farmers who produce a third of Britain's meat "like hungry sheep who look up and are not fed," as poet John Milton said.

The ebullient Sir Richard Butler, who gets more like his father Rab every day, has not heard the end of this. Intensive farmers are very angry indeed and if ever events should conspire against cereal farmers they would get very little sympathy.

## Mining group halts tungsten spot sales

SYDNEY — An Australi[an] mining group has decided [to] make no further spot sales [of] tungsten while low world pri[ces] continue.

Mr Charles Copeman, ch[ief] executive of Peko Wallsen[d] said its King Island Scheeli[te] subsidiary would honour [all] sales contracts already co[n]cluded.

Tungsten oxide prices wou[ld] have to be about $100 to ensu[re] continuing reliable supplies, [he] said. The current London pric[e] as shown below in our Week[ly] Metals table, is $77-$82.

● PAKISTAN is to sell Ir[an] 47,000 metric tonnes of sugar.

● FRENCH sugar beet yiel[ds] this year are likely to reach [a] record 55.6 tonnes per hectar[e] says the Beet Planters' Co[n]federation.

● THE POTATO Processor[s] Association and the Potat[o] Marketing Board have agree[d] terms for a special joint pr[o]gramme to process up to 50,00[0] tonnes of British potatoes int[o] frozen chips.

● THE SOVIET UNION i[s] ready for "positive negoti[a]tions" on a new long-term grai[n] agreement with the U.S., say[s] Exportkhleb president Victo[r] Pershin.

● ISRAEL now expects t[o] export 40m cases of citru[s] compared with 41m last season. Storms two weeks ago inflicte[d] heavy crop damage.

● THAILAND'S cotton produc[tion] in 1982-83 dropped by 31.[?] per cent from the 175,000 tonnes harvested in the pre[vious] year. The average yiel[d] was the lowest for 10 years according to official figures.

● SIX JUTE producing countries are meeting in Dacca to discuss ways of protecting jute's competitiveness against synthetic fibres. Participants are Brazil, Bangladesh, India, China, Nepal and Thailand.

## PRICE CHANGES

| In tonnes unless stated otherwise | Feb. 8 1983 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | $810,815 | | C818/817 |
| Free Mkt | $1165/1195 | +30 | $1080 1090 |
| Copper | [illegible] | | |
| Cash h grade | £1047.5 | [illegible] | £1087.25 |
| 3 mths | £1079.75 | [illegible] | [illegible] |
| Cash Cathode | £1023 | [illegible] | [illegible] |
| 3 months | £1058.75 | –1.5 | £994.5 |
| Gold troy oz | $497.25 | +4.25 | $481.5 |
| Lead Cash | £288.75 | –3.75 | £301.5 |
| 3 months | £301.25 | –3.5 | £313.75 |
| Nickel | £4484 | | £4394 |
| Free mkt | 182-212p | +8 | 178.190c |
| Palladium oz | $129.25 | –2 | [illegible] |
| Platinum oz | £304.55 | +2.5 | [illegible] |
| Quicksilver | $455.465 | | [illegible] |
| Silver troy oz | 914.10p | +14.55 | 777.75p |
| 3 mths | 937.85p | +14.20 | 797.75p |
| Tin cash | £8430 | –12.5 | £7507.5 |
| 3 months | £8421 | –15.5 | £7517.5 |
| Tungsten | $78.78 | | $92.25 |
| Wolfram 22.04 lb | $79.83 | +1 | $78.82 |
| Zinc Cash | £445 | +3.75 | £440 |
| 3 mths | £460.5 | +4.125 | £453.75 |
| Producers | $750-800 | | $800 |

| | Feb. 8 1983 | + or — | Month ago |
|---|---|---|---|
| Oils | | | |
| Coconut (Phil) | $450.58z | –2.5 | $440 |
| Groundnut | ‡ | | $465 |
| Linseed Crude | £315 | | £310 |
| Palm Malayan | $573.5x | | $367.5 |
| Seeds | | | |
| Copra Philip | ‡ | | $300 |
| Soyabean (U.S.) | $258.75 | [illegible] | $240.8 |
| Grains | | | |
| Barley Fut. Mar. | £118.85 | –0.15 | £114.65 |
| Maize | £137.00 | | £107.00 |
| Wheat Fut. Mar. | £120.55 | –1.25 | £120.05 |
| No.2 Hard Wint | ‡ | | ‡ |
| Other commodities | | | |
| Cocoa ship't* | £1387 | –17 | £1182 |
| Fut. May | £1353.5 | –1 | £1163.5 |
| Coffee Ft. May | £1653.5 | +6.5 | £1570.5 |
| Cotton A. Index | 73.75c | +0.05 | 70.85c |
| Gas Oil Mar. | $248.5 | –3 | $269.5 |
| Rubber (kilo) | 61.25p | –0.75 | 58.5p |
| Sugar (Raw) | £110z | +1 | £90 |
| Wool'ps 64s | 402p kilo | +8 | 370p kilo |

‡ Unquoted. w March. x April. z Feb-March. t Per 16-lb flask. * Ghana cocoa. n Nominal.

## LONDON OIL SPOT PRICES

| | Latest | Change + or — |
|---|---|---|
| CRUDE OIL—FOB ($ per barrel) | | |
| Arabian Light | 29.75-29.90 | –0.08 |
| Iranian Light | 21.00-28.25 | –0.13 |
| Arabian Heavy | 28.00 | –0.05 |
| North Sea (Forties) | 28.85-29.40 | –0.08 |
| North Sea (Brent) | 28.95 | –0.15 |
| African Bonny Li'ht | 29.75-30.00 | –0.05 |
| PRODUCTS—North West Europe CIF ($ per tonne) | | |
| Premium gasoline | 267-270 | –1.0 |
| Gas oil | 241-250 | +2.0 |
| Heavy fuel oil | 148-150 | –1.0 |

## GAS OIL FUTURES

Prices moved in narrow range during the morning with no news and little interest. Later, commission-house selling initiated a drop to the lows but short-covering kept prices a little above these levels through the close, reports Premier Man.

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| Feb. | 247.00 | –1.50 | 248.75-46.00 |
| March | 242.50 | –2.00 | 245.50-41.00 |
| April | 237.00 | –2.00 | 240.00-36.00 |
| May | 234.75 | –3.25 | 238.50-34.00 |
| June | 234.00 | –4.50 | 238.50-34.50 |
| July | 236.00 | –2.00 | 238.00 |
| Aug | 238.00 | –2.00 | 240.25-38.25 |
| Sept. | 240.00 | +1.00 | 242.75-41.75 |
| Oct. | 244.75 | +3.75 | — |

Turnover: 3,077 (2,138) lots of 100 tonnes.

## GOLD MARKETS

Gold rose $4¼ to $496¾-497¾ on the London bullion market yesterday. It opened at $492½-493½, and was fixed at $496.50 in the morning and $497.25 in the afternoon. It touched a peak of $498¼-499¼.

In Paris the 12½ kilo gold bar was fixed at FFr 111,500 per kilo in the afternoon, compared with FFr 111,000 ($499.46) in the morning, and FFr 112,000 ($496.05) Monday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 38,970 per kilo ($498.00 per ounce), against DM 39,075 ($490.50), and closed at $497-498 compared with $491-492 on Monday.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $493.75 per ounce, against $490.00.

In Zurich gold finished at $496-499, compared with $490-493.

## LONDON FUTURES

| Month | Yest'rday's close | + or — | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| February | 496.00-8.00 | +5.000 | 496.30-86.1 |
| March | 500.00-1.00 | +5.600 | — |
| April | 503.50-5.60 | +2.250 | 506.20-0.15 |
| May | 507.00-8.00 | +2.750 | — |
| June | 511.10-1.90 | +1.100 | 511.10-11.0 |
| July | 514.50-5.00 | +0.900 | 516.00-16.0 |
| August | 518.60-9.00 | +1.450 | 518.70-16.0 |

Turnover: 826 (788) lots of 100 troy ounces.

| | Feb. 8 | | Feb. 7 | |
|---|---|---|---|---|
| Gold Bullion (fine ounce) | | | | |
| Close | $496¾-497¾ | (£322⅝-323½) | $492½-493½ | (£320¼-325) |
| Opening | $492½-493½ | (£321¼-323) | $489¼-490¼ | (£388½-323¼) |
| Morning fixing | $496.50 | (£322.507) | $489 | (£321.711) |
| Afternoon fixing | $497.25 | (£322.953) | $490.25 | (£321.788) |

| Gold Coins Feb. 8 | | | | | |
|---|---|---|---|---|---|
| Krugrnd | $511½-512½ | (£332½-333) | King Sov | $118½-120 | (£77-78) |
| ½ Krg | $263½-264½ | (£171¼-172) | Victoria Sov | $118½-120 | (£77-78) |
| ¼ Krg | $134¼-135¼ | (£87¼-88) | French 20s | $104½-106½ | (£68-68¼) |
| 1/10 Krug | $54½-55½ | (£35½-36) | 50 pesos Mex | $595-599 | (£387½-388½) |
| Mapleleaf | $510-511½ | (£331½-330½) | 100 Cor. Aust | $482-487 | (£313¼-316½) |
| New Sov | $117-117¼ | (£76-76½) | $20 Eagles | $598-606 | (£386¼-393¼) |
| ½ New Sov | $69-71 | (£44¾-46¼) | | | |

## EUROPEAN MARKETS

ROTTERDAM, February 8.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter Feb 157, March 158, April 160, May 161. U.S. No. 3 Amber Durum April-May 169.50, June 172.50. U.S. No. 2 Northern Spring 14 per cent Feb 187, March 186.00, April-May 170.50, June 170. Canadian Western Red Spring April-May 189.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow spot 129, Feb 130, March 130.50, April-June 128.50, July-Sept 131.75, Oct-Dec 130.25, Jan-March 136 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Feb 234.75, March 238.50, April 240, May 242.30, June 245, July 247.50, Aug 240.50, Sept 249.50, Oct 247.80, Nov 247.85, Dec 252.50; Jan 256.85, Feb 261 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 207.50-208.50, March 210.50-211.75 traded: afloat 209, Feb 209, March 212, April-Sept 218, Nov-March 231 sellers. Pellets Brazil Feb 226, March 225, April 225, April-Sept 228 sellers.

PARIS, Feb. 8.

Cocoa—(FFr per 100 kilos): Mar 1410/1420, May 1466/1468, July 1475 bid, Sept 1501/1524, Dec 1510/1540, Mar 1520 bid, May 1530 bid.

Sugar—(FFr per tonne): Mar 1470/1471, May 1530/1531, July 1575/1590, Aug 1635/1636, Oct 1670/1675, Nov 1665/1675, Dec 1720/1730, Mar 1815/1825.

## BRITISH COMMODITY MARKETS

### BASE METALS

BASE-METAL PRICES were restrained by the rise in sterling against the dollar. Copper moved narrowly prior to closing the late kerb at £1,080.75. Intermittent buffer stock support held Tin around £8,425. Chartist support [illegible]

### COPPER

[illegible]

### TIN

[illegible]

### LEAD

[illegible]

### ZINC

[illegible]

### ALUMINIUM

[illegible]

### NICKEL

[illegible]

* Cents per pound. ‡ On previous unofficial close.

### SILVER

[illegible]

### WEEKLY METALS

[illegible]

### GRAINS

[illegible]

### POTATOES

[illegible]

### RUBBER

[illegible]

### SOYABEAN MEAL

[illegible]

### COCOA

[illegible]

### COFFEE

[illegible]

### WOOL FUTURES

[illegible]

### SUGAR

LONDON DAILY SUGAR—Raw sugar £110.00 (£109.00) a tonne cif Feb-March shipment. White sugar £137.00 (same). The market staged an early rally amidst rumours of large stop-loss buying orders higher up. The trade sold heavily into the rally and by the close [illegible]

### INDICES

[illegible]

### GRAINS

[illegible]

### COTTON

[illegible]

### MEAT/FISH

[illegible]

## AMERICAN MARKETS

NEW YORK, February 8.

Gold and Silver displayed moderate gains as they responded to a firm tone in currencies; profit-taking late in the day eroded the gains. Strong technical support followed by commission house buying advanced Copper prices as rumours of supply disruptions made the shorts very nervous. Heating Oil prices came under heavy pressure as the news of a further extension of the Iraq/Iran conflict was ignored; the widely anticipated cold wave in the north-east veered to the north without producing the extremely low temperatures to which the market reacted with renewed selling. Sugar prices rose slightly on concern about adequate availability of stocks for March deliveries. Cocoa prices opened firm on further reports of short shipping space in West Africa as all available space is utilized for repatriation of workers from Nigeria. Coffee prices finished moderately lower after a strong opening based on reports of Columbia being sold out well ahead of its present shipments. Cotton prices were steady most of the day but retreated toward the close as pressure on Precious Metals intensified. General profit-taking in Soyabeans and Wheat left the market lower, while the Maize market closed mixed. The grain markets have recently advanced to new high levels and are currently waiting for fresh news which could keep the advance going, reported Heinold.

### NEW YORK

COCOA 10 tonnes, $/tonnes

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | 1875 | 1900 | 1880 | 1845 |
| May | 1895 | 1932 | 1880 | 1879 |
| July | 1920 | 1949 | 1900 | 1891 |
| Sept | 1935 | 1960 | 1920 | 1899 |
| Dec | 1944 | 1985 | 1944 | 1930 |

COFFEE "C" 37,000 lb, cents/lb

[illegible]

### CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| Feb | 61.97 | 62.90 | 61.85 | 63.15 |
| April | 61.50 | 62.50 | 61.67 | 62.57 |
| June | 63.30 | 63.60 | 63.10 | 63.67 |
| August | 62.12 | 62.47 | 62.10 | 62.56 |
| Oct | 60.50 | 60.72 | 60.45 | 60.70 |
| Dec | 61.65 | 61.72 | 61.60 | 61.80 |

LIVE HOGS 30,000 lb, cents/lb

[illegible]

# FT SHARE INFORMATION SERVICE

## BRITISH FUNDS

| 1982/83 High | Low | Stock | Price £ | + or - | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| **"Shorts" (Lives up to Five Years)** | | | | | | |
| 101¼ | 95¼ | Treasury 12pc 1983‡‡ | 100xd | + | 11.98 | 10.68 |
| 100⅝ | 92¾ | Treasury 9½pc '83 | 99⅝ | + | 9.28 | 10.17 |
| 104⅝ | 96¾ | Exch. 13½pc '83 | 101⅞ | | 11.25 | 10.84 |
| 101¼ | 91¾ | Exch. 10pc 1983 | 99 | +⅛ | 10.04 | 10.49 |
| 90¼ | 87⅝ | Funding 5½pc '82-84‡‡ | 96⅛ | -⅛ | 5.68 | 9.05 |
| 103¼ | 91⅞ | Exch. 11¼pc 1984 | 100xd | + | 11.19 | 10.68 |
| 107¼ | 96¼ | Exchequer 14pc 1984 | 103⅛ | +¼ | 13.54 | 11.08 |
| 44½ | 81⅛ | Exch. 3pc 1984 | 93½ | +⅛ | 3.21 | 8.15 |
| 105¼ | 91½ | Treasury 12pc 1984 | 101 | +¼ | 11.84 | 11.06 |
| 111 | 96¼ | Treasury 15pc 1985 | 106⅝xd | + | 14.07 | 11.28 |
| 112¼ | 89½ | Exch. 12pc Cnv. '85 | 102¼ | +¼ | 11.68 | 10.51 |
| 91¼ | 73½ | Treasury 3pc 1985 | 89¼ | +⅛ | 3.36 | 8.27 |
| 105½ | 87½ | Treasury 11½pc 1985 | 101 | + | 11.37 | 10.93 |
| 102 | 95½ | Treas 9½pc Cnv '85 | 97¼ | +⅝ | 8.95 | 9.74 |
| 107⅝ | 88⅝ | Exch. 12¼pc 1985 | 102¼ | + | 11.98 | 11.26 |
| 106⅝ | 86⅛ | Exch. 11¼pc '86 | 101¼xd | +⅛ | 11.60 | 11.27 |
| 89½ | 69 | Treasury 3pc 1986 | 86½ | +¼ | 3.47 | 7.75 |
| 107¼ | 86¼ | Treasury 12pc '86 | 102⅛ | +½ | 13.75 | 11.21 |
| 100 | 80¼ | Treasury 8½pc '84-86‡‡ | 95¼ | -¼ | 8.88 | 10.00 |
| 116¼ | 96¼ | Treas. 12¼pc '86 Cnv | 107 | +¼ | 11.45 | 9.80 |
| 114 | 91¾ | Exch. 14pc 1986 | 107 | +½ | 13.02 | 11.42 |
| 112 | 90 | Exch. 13¼pc 1987 | 105 | -¼ | 12.52 | 11.37 |
| 84 | 83½ | Exchequer 2½pc 1987 | 83⅞ | | 2.98 | 7.16 |
| 103½ | 95¾ | Exch. 10½pc 1987 | 97 | +¼ | 10.76 | 11.19 |
| 93⅛ | 71⅞ | Funding 6½pc '85-87‡‡ | 91⅛ | +¼ | 7.13 | 9.07 |
| 85¼ | 64½ | Treasury 3pc 1987 | 85⅛ | +⅛ | 3.52 | 6.97 |
| 109 | 85⅞ | Treas. 12pc 1987 | 101⅞ | + | 11.78 | 11.45 |
| 98 | 72½ | Treasury 7¼pc '85-88‡‡ | 91⅛ | +⅛ | 8.50 | 10.06 |
| **Five to Fifteen Years** | | | | | | |
| 102¼ | 95½ | Exch 10½pc '88 | 98½ | +½ | 10.96 | 13.57 |
| 01 | 60⅛ | Transport 3pc '78-88 | 79¼ | +⅛ | 3.80 | 7.07 |
| 99 | 91 | Treas. 9½pc '88 | 94 | +½ | 10.30 | 11.38 |
| 107¾ | 79¾ | Treasury 11½pc 1989 | 97¼xd | +½ | 11.72 | 11.94 |
| 85⅝ | 62½ | Treasury 5pc '86-89 | 79½ | +½ | 6.42 | 9.54 |
| 117¼ | 85¾ | Treasury 13pc 1990‡‡ | 105¼ | -⅛ | 12.40 | 11.94 |
| 112 | 85⅝ | Exch. 12½pc 1990 | 106¼ | +⅛ | 12.26 | 12.08 |
| 98⅛ | 70⅛ | Treasury 8¼pc '87-90‡‡ | 87¼ | -½ | 9.59 | 11.08 |
| 110¼ | 77¾ | Treasury 11¾pc 1991 | 99¾ | +¼ | 13.88 | 13.96 |
| 84¾ | 59¼ | Funding 5¾pc '87-91‡‡ | 79¼ | +½ | 7.44 | 9.87 |
| 104⅛ | 76⅛ | Exch. 11pc 1991 | 98⅞ | +¼ | 11.50 | 11.80 |
| 116¾ | 81⅞ | Treasury 12¾pc '92‡‡ | 105 | +¼ | 12.22 | 13.93 |
| 102¼ | 70 | Treasury 10pc 1992 | 91xd | +¼ | 10.95 | 11.50 |
| 112¼ | 80¾ | Exch 12¼pc '92 | 101xd | +1 | 12.06 | 11.99 |
| 118¼ | 88⅝ | Exchequer 13½pc '92 | 112¼ | +¼ | 12.55 | 12.14 |
| 116½ | 80⅛ | Treasury 12½pc '93‡‡ | 104¼ | +1⅛ | 12.09 | 13.93 |
| 81½ | 56¼ | Funding 6pc 1993‡‡ | 72¼xd | +¼ | 8.18 | 18.18 |
| 124¼ | 88 | Treasury 13¾pc 1993 | 113 | -1 | 12.49 | 12.04 |
| 128¼ | 91⅝ | Treasury 14½pc '94‡‡ | 114¼xd | +1 | 12.56 | 11.93 |
| 119¼ | 86¼ | Exchequer 13½pc 1994 | 112 | -¼ | 12.49 | 12.14 |
| 115½ | 80¼ | Exch. 12½pc 1994 | 102½xd | +1 | 11.14 | 12.03 |
| 96⅛ | 66¼ | Treasury 9pc '94‡‡ | 88 | -¼ | 10.47 | 11.17 |
| 113¼ | 76½ | Treasury 12pc '95 | 100⅛ | +¾ | 12.01 | 11.98 |
| 66¼ | 42⅝ | Gas 3pc '90/95 | 62 | +⅛ | 4.98 | 8.05 |
| 103¼ | 68½ | Exch. 10¼pc 1995 | 90 | -1⅛ | 11.35 | 11.75 |
| 116⅛ | 83¼ | Treasury 12¼pc '95‡‡ | 108½ | -1 | 12.09 | 11.89 |
| 127¼ | 86¼ | Treas. 14pc '96 | 113⅛ | +1¼ | 12.45 | 12.07 |
| 97 | 66⅝ | Treasury 9pc '92-96‡‡ | 84½xd | -¼ | 18.55 | 13.16 |
| 133 | 96 | Treasury 15¼pc '96‡‡ | 124¼ | +1¼ | 12.64 | 12.07 |
| 120 | 86 | Exchequer 13¼pc '96‡‡ | 112¼ | +1¼ | 12.13 | 11.86 |
| 61¼ | 43⅝ | Redemption 3pc 1986-96 | 59 | +⅛ | 5.18 | 8.37 |
| 124 | 83½ | Treasury 13¼pc '97‡‡ | 110 | +1¼ | 12.12 | 11.85 |
| 105⅛ | 69⅝ | Exchequer 10½pc 1997 | 92xd | -1⅛ | 11.37 | 11.62 |
| 94⅛ | 64 | Treasury 8¾pc 1997‡‡ | 82¼xd | +⅛ | 10.58 | 11.18 |
| 132¼ | 94¼ | Exch. 15pc 1997 | 123¼ | +1⅛ | 12.56 | 12.13 |
| **Over Fifteen Years** | | | | | | |
| 79⅛ | 34½ | Treasury 6¾pc '95-98‡‡ | 71½ | +⅛ | 9.69 | 10.87 |
| 138¼ | 99½ | Treas. 15½pc '98‡‡ | 129¼ | +1¼ | 12.49 | 12.03 |
| 116⅝ | 78¼ | Exch. 12pc 1998 | 104¼ | +1⅛ | 11.81 | 11.76 |
| 100⅝ | 66 | Treasury 9½pc 1999‡‡ | 88 | +⅝ | 10.88 | 13.22 |
| 116 | 81¼ | Exch. 12¼pc 1999 | 107¼ | +1¼ | 13.87 | 11.80 |
| 107 | 77⅛ | Treasury 10½pc 1999 | 94⅞ | +1⅛ | 11.35 | 13.52 |
| 124⅛ | 82¼ | Treas. 13pc 2000 | 109½ | +1⅛ | 11.97 | 13.83 |
| 111 | 89 | Treas. 14pc '98-01 | 117¼ | +1¼ | 11.26 | 11.95 |
| 116½ | 76½ | Exch. 12pc '99-02 | 102½ | +1¼ | 13.78 | 11.72 |
| 129½ | 85¾ | Treas 13¾pc 2000-03 | 114¼ | +1¼ | 12.09 | 11.87 |
| 113¼ | 78¼ | Treasury 11½pc '01-04 | 104½ | +1¼ | 13.50 | 11.50 |
| 50¼ | 33¼ | Funding 3½pc '99-04 | 44 | +⅛ | 8.00 | 9.85 |
| 123⅛ | 01⅝ | Treasury 12½pc '03-05 | 109¼ | +1¼ | 11.68 | 11.59 |
| 87¼ | 59¼ | Treasury 8pc '02-06‡‡ | 79 | +⅝ | 10.50 | 10.79 |
| 116⅛ | 75⅞ | Treasury 11¾pc '03-07 | 102¼ | +1¼ | 11.56 | 11.53 |
| 128½ | 90 | Treas. 13½pc '04-08 | 119¼ | +1¼ | 11.82 | 11.67 |
| 64 | 44¼ | Treasury 5½pc '08-12‡‡ | 55¼ | +½ | 9.88 | 10.32 |
| 85½ | 55⅝ | Treasury 7¾pc '12-15‡‡ | 73⅝xd | +½ | 10.57 | 10.71 |
| 124 | 81⅛ | Exch. 12pc '13-'17 | 109¼ | +1¼ | 11.18 | 11.16 |
| **Undated** | | | | | | |
| 42¼ | 27¾ | Consols 4pc | 36 | +½ | 11.19 | — |
| 37¼ | 26⅝ | War Loan 3½pc‡‡ | 32½ | +¼ | 10.99 | — |
| 42 | 31½ | Conv 3½pc '61 Aft. | 38¼ | +¼ | 9.46 | — |
| 33¾ | 21 | Treasury 3pc '66 Aft | 29 | +¼ | 10.68 | — |
| 27 | 17¾ | Consols 2½pc | 23 | +¼ | 10.98 | — |
| 26⅞ | 17⅝ | Treasury 2½pc | 23¼ | +¼ | 11.18 | — |
| **Index-Linked & Variable Rate** | | | | | | |
| 100⅛ | 99⅛ | Treas. Variable '83 | 99 | | 11.38 | 11.22 |
| | | | | | (1) | (2) |
| 108¼ | 95 | Treas. 2pc I.L. '88 | 105⅝ | | 1.82 | 2.10 |
| 112 | 93 | Do. 2pc I.L. '96 | 110¼xd | | 2.36 | 2.58 |
| 103¾ | 93¼ | Do. 2½pc I.L. 2001 | 103⅝ | | 2.34 | 2.43 |
| 102½ | 95½ | Do. 2½pc I.L. 2003 | 102⅛ | | 2.37 | 2.46 |
| 107 | 86¾ | Do. 2pc I.L. 2006 | 106⅛ | | 2.31 | 2.39 |
| 103¼ | 96 | Do. 2½pc I.L. 2009 | 103⅛ | | 2.35 | 2.42 |
| 110 | 90 | Do. 2½pc I.L. 2011 | 108½xd | | 2.35 | 2.42 |
| 25¾ | 25 | Do. 2½pc I.L. 2016 | 25⅝ | +⅛ | 2.32 | 2.38 |

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

| High | Low | Stock | Price £ | + or - | Int. | Red. |
|---|---|---|---|---|---|---|
| 116¼ | 99¾ | Australia 13½pc 2010 | 103¼xd | +¼ | 13.07 | 13.06 |
| 108¼ | 92¼ | Finland 14½pc Ln 1986 | 105½ | +¼ | 13.74 | 12.38 |
| 30¼ | 21 | Int-Am Dev Bk 12½pc 2003 | 21½ | .. | 13.81 | 13.95 |
| 109 | 90¼ | Int. Bank 13½pc 1986 | 104¼ | +¼ | 12.89 | 11.69 |
| 111½ | 97 | Do. 14pc Ln 1987 | 106¼ | +½ | 13.15 | 11.85 |
| 101¼ | 77¼ | Mex 16½pc 2008 | 78¼xd | +1 | 21.23 | 23.34 |
| 112½ | 98½ | N.Z. 14¼pc 1987 | 106½ | +¼ | 13.38 | 13.27 |
| 107½ | 90¼ | Sweden 13½pc 1986 | 102¼ | +¼ | 13.14 | 13.27 |

## CORPORATION LOANS

| High | Low | Stock | Price £ | + or - | Int. | Red. |
|---|---|---|---|---|---|---|
| 102½ | 85 | Bath 11½pc 1985 | 98½ | +¼ | 11.43 | 11.88 |
| 104⅞ | 89¼ | Birm'ham 12½pc 1985 | 101¼ | +¼ | 12.34 | 11.80 |
| 108⅞ | 87 | Burnley 13pc 1987 | 102¼ | +¼ | 12.65 | 13.14 |
| 101¼ | 81¼ | Cardiff 11pc 1986 | 97½ | +¼ | 11.29 | 11.83 |
| 104¼ | 94⅝ | G.L.C. 13¼pc 1984 | 102½xd | +¼ | 12.80 | 9.55 |
| 81¼ | 53¾ | Do. 6¾pc 90-92 | 72¼xd | +¼ | 9.33 | 11.80 |
| 89 | 67½ | Herts 6¼pc 1985-87 | 85 | +¼ | 7.94 | 11.08 |
| 114¼ | 85 | Leeds 13½pc 2006 | 109 | +1 | 12.95 | 12.91 |
| 100⅛ | 87½ | Liverpool 9¼pc '80-84 | 98¼ | +¼ | 9.93 | 11.24 |
| 31½ | 21½ | D. 3½pc Irred. | 29 | | 12.41 | — |
| 104⅝ | 95½ | Lon. Corp. 13¼pc '83 | 102 | +¼ | 12.99 | 10.41 |
| 99¼ | 82¼ | Do. 9¼pc '84-85 | 95¼ | -¼ | 9.70 | 11.33 |
| 91⅞ | 78¾ | LCC 5½pc '82-84 | 93 | +1 | 5.91 | 10.89 |
| 84⅞ | 64¼ | Do 5½pc '85-87 | 82¼ | +¼ | 6.69 | 10.71 |
| 87 | 56 | Do 6¼pc '86-90 | 77¼ | +¼ | 8.80 | 11.49 |
| 26¼ | 19½ | Do 3pc '20 Aft | 24xd | -½ | 12.60 | — |
| 104⅝ | 90¼ | Sunderland 12¼pc 1984 | 101¼ | +¼ | 12.09 | 11.41 |

## COMMONWEALTH AND AFRICAN LOANS

| High | Low | Stock | Price £ | + or - | Int. | Red. |
|---|---|---|---|---|---|---|
| 98⅞ | 85¼ | Aust. 6pc 1981-83 | 96 | | 6.27 | 11.62 |
| 83¼ | 57 | N.Z. 7¼pc 1988-92 | 75 | | 9.76 | 11.86 |
| 93½ | 74¼ | Do 7½pc '83-86 | 89½ | | 8.49 | 11.78 |
| 167 | 136 | S. Rhod 2½pc Non-Ass | 162 | | — | — |
| 80 | 58 | Do 3½pc 80-85 Assd. | 79 | | 4.51 | 14.00 |
| 55 | 12 | Do 4½pc 87-92 Assd | 48xd | -1 | 9.38 | 15.40 |
| 402 | 318 | Zimbabwe Ann (£100pd) | 375 | | — | 10.23 |

## LOANS
### Public Board and Ind.

| High | Low | Stock | Price £ | + or - | Int. | Red. |
|---|---|---|---|---|---|---|
| 77½ | 57¼ | Agric. Mt. 5pc '59-89 | 73¼ | | 6.83 | 10.92 |
| 38 | 24¼ | Met. Wtr. 3pc 'B' | 31¼xd | | 9.40 | 12.07 |

## LOANS—Continued

| 1982/83 High | Low | Stock | Price £ | + or - | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| **Financial** | | | | | | |
| 103¼ | 95½ | FFI 14pc '83 | 101⅞ | | 13.75 | 11.61 |
| 94½ | 80 | FFI(UK Fn)6¼pcDb '81-84 | 92½ | | 6.00 | 11.20 |
| 103½ | 82½ | Do. 10½pc Uns.Ln. '86 | 97½ | -½ | 10.90 | 12.00 |
| 105 | 78 | Do 11pc Uns Ln '88 | 97½ | +½ | 11.43 | 11.80 |
| 106 | 78 | Do 11¾pc Uns.Ln '90 | 99 | +1 | 11.04 | 12.20 |
| 108¼ | 82 | Do. 12½pc Un. Ln 1992 | 103 | +¼ | 12.76 | 12.90 |
| 83 | 54 | Do. 7¼pc & Deb '89-92 | 75 | +½ | 9.89 | 11.70 |
| 79½ | 53 | Do 7½pc ADeb '91-94 | 75 | +1 | 10.16 | 11.80 |
| 90 | 62 | Do 9pc 'A' '91-94 | 84½ | | 11.14 | 12.20 |
| 87¼ | 57 | Do. 8¾pc Ln. '92-97 | 77xd | +½ | 11.53 | 12.20 |
| **Building Societies** | | | | | | |
| 101⅞ | 99⅝ | Nat'wide 14¼% 14.3.83 | 100 | + | 14.22 | 11.03 |
| 102¼ | 99⅝ | Do. 14¼pc 4.9.83 | 100¼ | -⅛ | 14.21 | 12.34 |
| 102⅝ | 100 | Do 14¾pc 25.4.83 | 100⅝ | | 14.66 | 11.31 |
| 102¼ | 99 | Do 13⅞pc 23.5.83 | 100½ | | 11.81 | 11.90 |
| 102⅞ | 100⅛ | Do 13½pc 13.6.83 | 100⅞ | +⅛ | 13.82 | 11.18 |
| 102¼ | 100⅛ | Do 14pc 4.7.83 | 100⅞ | | 11.88 | 11.58 |
| 102¼ | 100⅛ | Do. 13¼pc 25.7.83 | 100⅝xd | | 13.04 | 11.73 |
| 101½ | 99 | Do 11⅞pc 15.8.83 | 100¼xd | | 13.83 | 11.21 |
| 101 | 98⅞ | Do 11¼pc 30.8.83 | 100⅛ | +⅛ | 11.24 | 11.09 |
| 101¼ | 99¼ | Do 11¼pc 3.10.83 | 99½ | +⅛ | 11.43 | 12.23 |
| 100¼ | 98¼ | Do 9½pc 11.10.83 | 98½ | | 10.09 | 12.16 |
| 99¼ | 98 | Do 9⅞pc 28.11.83 | 98¾ | | 10.04 | 11.07 |
| 100¼ | 99⅛ | Do 11¼pc 19.12.83 | 99⅝ | +⅛ | 11.29 | 11.74 |

## FOREIGN BONDS & RAILS

| 1982/83 High | Low | Stock | Price £ | + or - | Div. % Gross | Red. Yield |
|---|---|---|---|---|---|---|
| 17 | 10 | Chinese 4½pc 1898 | 12 | | — | — |
| 14 | 11 | Do. 5pc 1912 | 11 | | — | — |
| 14 | 6 | Do. 5pc 1913 | 11 | | — | — |
| 12 | 6 | Do 5pc '25 Boxer | 8 | | — | — |
| 44 | 42 | Greek 7pc Ass. | 43 | | 3½ | 8.25 |
| 42 | 40 | Do 6pc '28 Stb Ass. | 41 | | 3 | 7.59 |
| 38 | 15 | Do 4pc Mixed Ass | 38 | | 2 | 5.27 |
| 35 | 25 | Hung '24 Ass. | 20 | | 2¼ | 10.35 |
| 122 | 87½ | [illegible] | 104½xd | | 15 | 14.74 |
| 75 | 58 | Iceland 6½pc '83-88 | 75 | | 6½ | 14.98 |
| 106 | 80 | Do 14½pc Ln 2016 | 98xd | | 14½ | 14.84 |
| 100⅛ | 87¼ | Ireland 7½pc '81-83 | 98¼ | | 7½ | 12.08 |
| 87¼ | 62½ | Do 9¼pc '91-96 | 83 | | 9¼ | 13.15 |
| 300 | 231 | Japan 4pc '10 Ass | 300 | | — | — |
| 92 | 67 | Do. 6pc '83-88 | 86xd | -1 | 6 | 9.80 |
| 161 | 161 | Peru Ass. 2007 | 161 | | 5.22 | 9.82 |
| 93¼ | 57½ | Pet Mx 14½pc '06 | 63¼ | +½ | 14½ | 24.81 |
| $79 | $75 | Turin 9pc 1991 | $75 | | 9 | 12.00 |
| DM90 | DM87 | Turin 6½pc 1984 | DM90 | | 6½ | 11.40 |

## AMERICANS

| 1982/83 High | Low | Stock | Price £ | + or - | Div. Gross | C'w | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 27 | 13½ | Abbott Labs. | 24½ | -1¼ | 84c | — | 2.1 |
| 22 | 11¼ | Alcoa $1 | 21⅝ | +¼ | $1.20 | — | 3.5 |
| 25⅛ | 10 | Amax $1 | 16⅛ | +⅛ | 20c | — | 0.8 |
| 26½ | 10⅛ | Amdahl | 26½xd | +⅝ | 40c | — | 1.0 |
| 41¼ | 20⅞ | Amer. Express $0.60 | 42¼ | -⅛ | $2.40 | — | 3.5 |
| 18¼ | 7⅝ | Amer. Medical Intl. $1 | 10⅛ | -⅛ | 39c | — | 1.3 |
| 23⅞ | 14⅞ | Amer. Nat. Res. $1 | 23⅝ | -⅛ | $3.00 | — | 8.1 |
| 45½ | 28 | American T. & T. Co. | 45 | -⅛ | $5.40 | — | 7.6 |
| 17 | 10½ | Amtac Inc | 14¼ | | $1.44 | — | 6.1 |
| 15⅝ | 909p | Bank America Corpn | 12xd | -⅛ | $1.52 | — | 7.9 |

## CANADIANS

## BANKS & HIRE PURCHASE

## BANKS & H.P.—Cont.

### Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## CHEMICALS, PLASTICS—Cont.

## DRAPERY AND STORES

## ELECTRICALS

## ELECTRICALS—Continued

## ENGINEERING MACHINE TOOLS

## FOOD, GROCERIES, ETC.

## FOOD, GROCERIES—Cont.

## HOTELS AND CATERERS

## INDUSTRIALS (Miscel.)

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## INDUSTRIALS—Continued

## INSURANCES

## LEISURE

## LEISURE—Continued

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING ADVERTISING

## PROPERTY

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc.

## OIL AND GAS

## OIL AND GAS—Continued

## OVERSEAS TRADERS

## PLANTATIONS

### Rubbers, Palm Oil

### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum



## MINES—Continued

### Central African

| 1982/83 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 250 | 75 | Falcon Rh.50c | 250 | ...... | Q25c | 10.3 | 7.0 |
| 33 | 10 | Wankie Col. Z$1 | 20 | +1 | †Q3c | 1.2 | 10.2 |
| 28 | 12 | Zam Cpr SBD0.24 | 28 | +1 | — | — | — |

### Australians

| 1982/83 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 28½ | 10 | ♥ACM 20c | 23 | ...... | — | — | — |
| 28 | 6 | ♥Argosy Gold NL 25c | 14 | +3 | — | — | — |
| 63 | 46 | ♥Black Hill Mins. | 52 | ...... | — | — | — |
| 151 | 54 | ♥Bond Corp. | 62 | +2 | gQ10c | 2.3 | 10.9 |
| 154 | 58 | ♥Bougainville 1 Kina | 143 | +7 | †Q6.71c | 1.2 | ‡ |
| 273 | 147 | ♥CRA 50c | 238 | ...... | ‡Q5c | — | ‡ |
| 154 | 10 | ♥Carr Boyd 20c | 125 | +5 | — | — | — |
| 56 | 21½ | ♥Central Pacific | 27 | ...... | — | — | — |
| 380 | 152 | ♥Crusader Oil | 260 | ...... | — | — | — |
| 26 | 7 | ♥Cultus Pac NL | 9 | ...... | — | — | — |
| 27 | 7 | ♥Eagle Grp 10c | 11 | ...... | — | — | — |
| 23 | 8½ | ♥Endeavour 20c | 11½ | ...... | — | — | — |

### Tins

### Miscellaneous

| 1982/83 High | Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 90 | 20 | ♥Anglo-Dominion | 77 | ...... | — | — | — |
| 125 | 25 | ♥Anglo Utd. Dev. | 73 | −7 | — | — | — |
| | | For Burma see Southwest Res | | | | | |
| 135 | 27 | ♥Colby Res Corp. | 115 | ...... | — | — | — |
| 450 | 170 | Cons. Murch. 10c. | 450 | +30 | ‡Q60c | 1.9 | ‡ |
| 8 | 1½ | ‡‡Explaura Gold | 5 | ...... | — | — | — |
| 155 | 55 | ♥Highwood Res | 150 | ...... | — | — | — |
| £40½ | £25 | Homestake Mining $1 | £37⅞ | −⅝ | Q40c | — | 0.6 |
| 495 | 160 | Northgate C$1 | 455 | −10 | — | — | — |
| 552 | 344 | R.T.Z. | 540 | +15 | 16.8 | 1.6 | 4.2 |
| £122 | £84 | Do. 9½pc Cv.Ln.95-2000 | £118½ | +1½ | Q9½% | 23.9 | 14.1 |
| 30 | 11 | ♥Sabina Inds C$1 | 28 | ...... | — | — | — |
| 17½ | 12½ | ♥Southwest Res 10p. | 17½ | ...... | — | — | — |
| 530 | 270 | ♥Tara Expln $1 | 485 | ...... | — | — | — |

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ß No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations. xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

| | | |
|---|---|---|
| Albany Inv. 20p | 48 | ...... |
| Bertrams | 17¢ | ...... |
| Bdg'wtr. Est. 50p | 480 | ...... |
| Craig & Rose £1 | £12½ | ...... |
| Finlay Pkg. 5p | 31 | ...... |
| Graig Ship. £1 | £22½ | +½ |
| Higsons Brew | 105 | ...... |
| Holt (Jos) 25p | 880 | ...... |
| I.O.M. Stm £1 | 200xd | ...... |
| Pearce (C. H.) | £12 | ...... |
| Peel Hldgs. | 162 | +2 |

### IRISH

| | | |
|---|---|---|
| Exch 15pc 1983 | £100 | ...... |
| Nat. 9¾% 84/89 | £81 | +½ |
| Fin. 13% 97/02 | £92¾ | +¾ |
| Alliance Gas | 115 | ...... |
| Arnott | 188 | ...... |
| Carroll (P.J.) | 82 | ...... |
| Concrete Prods. | 50 | ...... |
| Heiton (Hldgs.) | 16 | ...... |
| Ins. Corpn. Ireland | 350 | ...... |
| Irish Ropes | 26 | ...... |
| Jacob | 88 | ...... |
| T.M.G. | 90 | ...... |
| Unidare | 43 | ...... |

## OPTIONS

### 3-month Call Rates

| Industrials | | | | | |
|---|---|---|---|---|---|
| Allied-Lyons | 15 | House of Fraser | 15 | Utd. Drapery | 7 |
| BOC Grp | 17 | I.C.I. | 24 | Vickers | 12 |
| B.S.R. | 6 | "Imps" | 10 | Woolworth Hld. | 15 |
| Babcock | 10 | I.C.L. | 8 | **Property** | |
| Barclays Bank | 35 | Ladbroke | 16 | Brit. Land | 7½ |
| Beecham | 35 | Legal & Gen | 20 | Cap. Counties | 12 |
| Blue Circle | 44 | Lex Service | 16 | Land Secs. | 26 |
| Boots | 22 | Lloyds Bank | 35 | MEPC | 17 |
| Bowaters | 19 | "Lofs" | 4 | Peachey | 14 |
| Brit. Aerospace | 20 | London Brick | 11 | Samuel Props. | 10 |
| B.A.T. | 50 | Lucas Inds. | 12 | Town & City | 3 |
| Brown (J.) | 4 | "Mams" | 12 | | |
| Burton Ord. | 24 | Mrks & Spncr | 16 | **Oils** | |
| Cadburys | 11 | Midland Bank | 30 | Brit. Petroleum | 26 |
| Courtaulds | 8 | N.E.I. | 9 | Burmah Oil | 12 |
| Debenhams | 8½ | Nat. West. Bank | 38 | Charterhall | 5 |
| Distillers | 20 | P & O Dfd. | 14 | KCA | 8 |
| Dunlop | 5½ | Plessey | 50 | Premier | 4 |
| Eagle Star | 38 | Racal Elect. | 45 | Shell | 35 |
| F.N.F.C. | 4 | R.H.M. | 6 | Tricentrol | 22 |
| Gen. Accident | 30 | Rank Org. Ord. | 15 | Ultramar | 42 |
| Gen. Electric | 24 | Reed Intnl. | 26 | | |
| Glaxo | 90 | Sears | 9 | **Mines** | |
| Grand Met. | 25 | T.I. | 11 | Charter Cons. | 20 |
| G.U.S. "A" | 58 | Tesco | 0 | Cons. Gold | 40 |
| Guardian | 95 | Thorn EMI | 30 | Lonrho | 8 |
| G.K.N. | 15 | Trust Houses | 13 | Rio T. Zinc | 42 |
| Hawker Sidd. | 30 | Turner & Newall | 4 | | |
| | | Unilever | 65 | | |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar eases in active trading

The dollar lost ground in currency markets yesterday in active but nervous trading. Much of the decline was attributed to uncertainty ahead of the Federal open market committee and the possibility of a cut in the U.S. discount rate. Euro-dollar rates were marked down by an ⅛ of a point but it seemed likely that the selling trend was self generated with few people in a position to go against the trend.

Sterling stayed on the sidelines for much of the day, improving against the dollar and showing mixed changed against other leading currencies.

DOLLAR — Trade weighted index (Bank of England) 120.1 against 121.8 six months ago. The dollar is much stronger compared with levels at the start of the year as the expected fall in U.S. interest rates has failed to materialise. High Federal funding requirements have also kept rates firm although a softer trend has developed recently on speculation over an easing in monetary policy and signs of an economic recovery in the U.S.

The dollar closed at DM 2.4410 against the D-mark, up from the day's low of DM 2.4270 but down from Monday's close of DM 2.4525. It fell against the Swiss franc to SwFr 2.0165 from SwFr 2.0230 and Y237.30 from Y237.5. It was also weaker against the French franc at FFr 6.9225 compared with FFr 6.9575.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5150. January average 1.5735. Trade weighted index 81.2 against 81.2 at noon, 81.1 in the morning and compared with 81.2 on Monday and 81.1 six months ago. Sterling is weak on fears of lower North Sea oil prices and recent disarray within Opec. There is also uncertainty caused by the possibility of an early general election. The pound is just above an all-time low against the dollar and is also unsettled against other currencies.

Sterling opened at $1.5300 against the dollar, its lowest level of the day and rose to a best level of $1.5450 before coming back to $1.5400 around noon. Trading was active in the afternoon but sterling stayed in a fairly narrow range before finishing at $1.5370-1.5380, a rise of 50 points from Monday. Against the D-mark it closed at DM 3.7550 from DM 3.76 and SwFr 3.1025, unchanged. It fell against the French franc to FFr 10.6425 from FFr 10.6650 but rose to Y365 from Y364.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. January average 2.3900. Trade-weighted index 127.7 against 124.6 six months ago. The D-mark has shown a weaker tendency during the run up to the March general election. Favourable trade figures and fading hopes of lower West German interest rates started to reverse the trend, but the D-mark in common with other major currencies has again suffered from the problems of a strengthening dollar.

The D-mark gained ground against most currencies at the Frankfurt fixing, on hopes of a decline in U.S. interest rates. The dollar fell to DM 2.4323 from DM 2.4780, and sterling to DM 3.7460 from DM 3.7670. The Swiss franc weakened to DM 1.2095 from DM 1.2136.

ITALIAN LIRA — Trading range against the dollar in 1982-83 is 1,489.75 to 1,196.00. January average 1,374.11. Trade-weighted index 53.1 against 53.7 six months ago. Large public sector borrowing as a result of a growing budget deficit has increased Italy's already considerable inflationary problem.

The lira gained ground against the dollar at the Milan fixing. The Bank of Italy sold $16m at the fixing as the U.S. unit fell to L1,400.05 from L1,423.70, but did not intervene when the D-mark rose to L575.49 from L574.69. Sterling fell to L2,157.35 from L2,164.00 at the fixing, and the Swiss franc to L695.75 from L696.75.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU February 9 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc ... | 44.9704 | 45.0282 | +0.12 | +1.41 | ±1.5501 |
| Danish Krone ... | 8.23400 | 8.06700 | −2.03 | −0.74 | ±1.6430 |
| German D-Mark | 2.33379 | 2.29516 | −1.65 | −0.37 | ±1.0888 |
| French Franc ... | 6.61387 | 6.50782 | −1.60 | −0.31 | ±1.3940 |
| Dutch Guilder ... | 2.57971 | 2.52807 | −2.00 | −0.71 | ±1.5004 |
| Irish Punt ......... | 0.691011 | 0.689800 | −0.12 | +1.11 | ±1.6691 |
| Italian Lira ...... | 1350.27 | 1320.14 | −2.23 | −1.52 | ±4.1365 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### OTHER CURRENCIES

| Feb. 8 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 85,503-85,543 | 55,420-55,470 | Austria | 26.20-20.50 |
| Australia Dollar | 1.5875-1.5885 | 1.0325-1.0350 | Belgium | 75.70-76.70 |
| Brazil Cruzeiro | 430.46-431.46 | 278.70-280.09 | Denmark | 13.11-13.24 |
| Finland Markka | 8.2550-8.2680 | 5.3805-5.3825 | France | 10.50-10.68 |
| Greek Drachma | 125.335-128.512 | 82.60-82.90 | Germany | 3.73-3.77 |
| Hong Kong Dollar | 10.16¼-10.18½ | 6.6190-6.6170 | Italy | 2140-2175 |
| Iran Rial | 128.40* | 85.20* | Japan | 362-367 |
| Kuwait Dinar (KD) | 0.4475-0.4485 | 0.29100-0.29110 | Netherlands | 4.11-4.15 |
| Luxembourg Fr. | 73.45-75.55 | 47.80-47.88 | Norway | 10.90-11.00 |
| Malaysia Dollar | 3.5025-3.5175 | 2.2800-2.2820 | Portugal | 140-155 |
| New Zealand Dlr. | 2.1305-2.1385 | 1.3895-1.3815 | Spain | 201¼-207 |
| Saudi Arab. Riyal | 5.2830-5.2985 | 3.4305-3.4405 | Sweden | 11.30-11.49 |
| Singapore Dollar | 3.1975-3.2125 | 2.0805-2.0825 | Switzerland | 3.08½-3.13½ |
| Sth. African Rand | 1.7395-1.7415 | 1.1315-1.1385 | United States | 1.53-1.55 |
| U.A.E. Dirham | 5.6500-5.6575 | 3.6715-3.6735 | Yugoslavia | 117-123 |

*Selling rates.

### CURRENCY MOVEMENTS

| Feb. 8 | Bank of England Index | Morgan Guaranty Change % |
|---|---|---|
| Sterling | 81.2 | −38.1 |
| U.S. dollar | 120.1 | +10.7 |
| Canadian dollar | 90.3 | −17.0 |
| Austrian schilling | 120.1 | +89.8 |
| Belgian franc | 84.0 | −1.0 |
| Danish kroner | 84.0 | −0.5 |
| Deutsche mark | 127.7 | +54.1 |
| Swiss franc | 151.8 | +107.7 |
| Guilder | 110.8 | +27.1 |
| French franc | 75.8 | −19.6 |
| Lira | 53.1 | −58.4 |
| Yen | 144.9 | +57.9 |

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| Feb. 8 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | — | 0.707255 | 0.512310 |
| U.S. $ | 8½ | 1.08988 | 0.942957 |
| Canadian $ | 9.91 | * | 1.15371 |
| Austria Sch. | 4¾ | 18.6010 | 16.1151 |
| Belgian F | 11½ | 52.0365 | 45.0262 |
| Danish Kr | 10 | 9.31847 | 8.05700 |
| D mark | 5 | 2.65098 | 2.29516 |
| Guilder | 4½ | 2.92033 | 2.59807 |
| French F | 9½ | 7.51908 | 6.50782 |
| Lira | 18 | 1525.83 | 1320.14 |
| Yen | 5½ | 259.391 | 223.056 |
| Norwgn Kr | 9 | 7.75668 | 6.69641 |
| Spanish Pta | — | 140.867 | 121.896 |
| Swedish Kr | 9 | 8.13397 | 7.00146 |
| Swiss Fr | 4½ | 2.19088 | 1.89748 |
| Greek Dr'ch | 20½ | n.a. | 78.2843 |

* CS/SDR rate for Feb 7: 1.32304.

### THE POUND SPOT AND FORWARD

| Feb 9 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.5300-1.5450 | 1.5370-1.5380 | 0.27-0.22c pm | 1.91 | 0.63-0.58pm | 1.57 |
| Canada | 1.8740-1.8910 | 1.8820-1.8830 | 0.25-0.15c pm | 1.27 | 0.58-0.48pm | 1.13 |
| Nethlnd. | 4.11-4.14¼ | 4.13¾-4.14¾ | 2¼-1¾c pm | 6.90 | 9¼-5⅞ pm | 5.92 |
| Belgium | 73.20-73.75 | 73.45-73.55 | 5-15c dis | −1.63 | 45-55dis | −2.72 |
| Denmark | 12.14-12.20 | 13.12-12.19 | 9⅛-7⅛ore dis | −1.60 | 22½-24dis | −7.05 |
| Ireland | 1.1250-1.1320 | 1.1290-1.1310 | 0.43-0.55p dis | −5.20 | 1.26-1.49dis | −4.88 |
| W. Ger. | 3.73½-3.76½ | 3.75-3.76 | 1½-1¼pf pm | 4.79 | 4½-4¼pm | 4.93 |
| Portugal | 141.00-146.00 | 141.50-143.50 | 910-1360c dis | −78.74 | 860-240dis | −45.75 |
| Spain | 198.50-199.80 | 198.80-199.10 | 195-280c dis | −14.32 | 460-454dis | −10.10 |
| Italy | 2152-2162 | 2157½-2159½ | 13½-15½lire dis | −7.78 | 55-60dis | −10.65 |
| Norway | 10.91-10.96 | 10.92-10.93 | 1½-2½ore dis | −2.20 | 8⅞-8dis | −2.72 |
| France | 10.60-10.65 | 10.63¼-10.64¼ | 4¼-2¾c dis | −5.92 | 25-28dis | −9.96 |
| Sweden | 11.41½-11.47 | 11.42¼-11.43¼ | ⅞-1ore dis | −0.72 | ⅞-1½dis | −0.39 |
| Japan | 362-366 | 364½-365½ | 1.30-1.10y pm | 3.94 | 3.75-3.55pm | 4.00 |
| Austria | 26.25-26.40 | 26.27-26.32 | 11¼-9¼gro pm | 4.65 | 35½-29¼pm | 4.80 |
| Switz. | 2.08½-3.11½ | 3.09¾-3.10¾ | 2¼-1¾c pm | 7.25 | 6¼-5¼pm | 7.57 |

Belgian rate is for convertible francs. Financial franc 76.20-76.30. Six-month forward dollar 0.91-0.86c pm, 12-month 1.25-1.10c pm.

### THE DOLLAR SPOT AND FORWARD

| Feb 8 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.5300-1.5460 | 1.5370-1.5380 | 0.27-0.22c pm | 1.91 | 0.63-0.58 pm | 1.57 |
| Ireland† | 1.3615-1.3680 | 1.3615-1.3630 | 0.86-0.76c pm | 7.12 | 2.35-2.20 pm | 6.67 |
| Canada | 1.2235-1.2280 | 1.2235-1.2245 | 0.05-0.08c dis | −0.73 | 0.14-0.17dis | −0.50 |
| Nethlnd. | 2.6750-2.6920 | 2.6890-2.6910 | 0.90-0.85c pm | 3.92 | 3.02-2.95 pm | 4.46 |
| Belgium | 47.68-47.87 | 47.80-47.82 | 12½-14½c dis | −3.39 | 48-53 dis | −4.27 |
| Denmark | 8.5350-8.5800 | 6.5750-8.5850 | 4¼-5¼ore dis | −5.67 | 13.80-14.80dis | −6.70 |
| W. Ger. | 2.4220-2.4500 | 2.4405-2.4415 | 0.63-0.58pf pm | 2.97 | 2.12-2.08 pm | 3.45 |
| Portugal | 92.00-95.00 | 92.00-94.00 | 400-950c dis | −87.10 | 600-1600dis | −47.31 |
| Spain | 129.10-129.85 | 129.25-129.45 | 130-180c dis | −14.38 | 300-365dis | −10.27 |
| Italy | 1399-1406 | 1403½-1404½ | 12-13lire dis | −10.71 | 44-46 dis | −12.86 |
| Norway | 7.0940-7.1250 | 7.1150-7.1250 | 1.90-2.90ore dis | −4.05 | 7.20-8.20dis | −4.33 |
| France | 6.8850-6.9450 | 6.9200-6.9250 | 4-4½c dis | −7.38 | 19½-20½dis | −11.58 |
| Sweden | 7.4150-7.4600 | 7.4400-7.4500 | 1½-2ore dis | −2.82 | 2.90-4.40dis | −2.23 |
| Japan | 235.40-238.00 | 237.25-237.35 | 0.47-0.40y pm | 2.20 | 1.53-1.43 pm | 2.49 |
| Austria | 17.07-17.14 | 17.12½-17.12½ | 4.40-3.60gro pm | 2.81 | 15-12½ pm | 3.22 |
| Switz. | 2.0050-2.0250 | 2.0160-2.0170 | 0.96-0.91c pm | 6.56 | 3.06-3.01pm | 6.02 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.55-49.65.

### EXCHANGE CROSS RATES

| Feb. 8 | Pound St'rling | U.S. Dollar | Deutschem'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild' | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.538 | 3.756 | 365.0 | 10.643 | 3.103 | 4.138 | 2159. | 1.883 | 73.50 |
| U.S. Dollar | 0.650 | 1. | 2.442 | 237.4 | 6.922 | 2.018 | 2.691 | 1404. | 1.224 | 47.80 |
| Deutschemark | 0.266 | 0.409 | 1. | 97.20 | 2.834 | 0.826 | 1.102 | 574.9 | 0.501 | 19.57 |
| Japanese Yen 1,000 | 2.740 | 4.212 | 10.29 | 1000. | 29.16 | 8.500 | 11.34 | 5914. | 5.158 | 201.4 |
| French Franc 10 | 0.940 | 1.445 | 3.528 | 343.0 | 10. | 2.915 | 3.888 | 2028. | 1.768 | 69.06 |
| Swiss Franc | 0.322 | 0.496 | 1.210 | 117.6 | 3.430 | 1. | 1.334 | 695.7 | 0.607 | 23.68 |
| Dutch Guilder | 0.242 | 0.372 | 0.908 | 88.22 | 2.572 | 0.750 | 1. | 521.7 | 0.455 | 17.76 |
| Italian Lira 1,000 | 0.463 | 0.712 | 1.740 | 169.1 | 4.951 | 1.437 | 1.917 | 1000. | 0.872 | 34.05 |
| Canadian Dollar | 0.531 | 0.817 | 1.995 | 193.8 | 5.653 | 1.648 | 2.198 | 1147. | 1. | 39.04 |
| Belgian Franc 100 | 1.361 | 2.092 | 5.109 | 496.6 | 14.48 | 4.221 | 5.629 | 2937. | 2.561 | 100. |

## FINANCIAL FUTURES

# A better market

The long term gilt and short sterling interest rate contracts met with increased demand on the London International Financial Futures Exchange yesterday afternoon. A smaller than expected rise in the preliminary M3 money supply figure pushed the March gilt price up to a peak of 100-3 shortly before the close. It finished at 99-28, a rise of slightly over £1 on the day, after opening quite firm at 99-14. Better sentiment was underpinned by gains of the Treasury bond contract on the Chicago market, and also by the strength of the London cash market during most of the day. Total volume in the gilt pit rose to 1,652 from the very low level of 681.

The improvement of the pound against the dollar on the foreign exchanges helped the gilt and three-month sterling deposit contracts. Short sterling for March and June delivery finished at the highest levels of the day, at 89.23 and 89.59 respectively. The March contract opened at 89.13, and finished 25 points firmer on the day, while June opened at 89.49, and ended 31 points higher than Monday's finish. Total volume of 1,183 was also much higher than Monday's level of 425.

March Eurodollar's also met with good demand, finishing only 1 basis point below the day's high. It opened at 90.50, and after touching a low 90.48, closed at 90.62 a rise of 21 points from the previous close. The firmer price reflected lower Eurodollar interest rates on the cash market, and the strength of Chicago trading.

This trend was underpinned by hopes of easier credit policies at yesterday's Federal open market committee meeting, and the recent softening of the dollar on the foreign exchanges.

### LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 90.62 | 90.63 | 90.42 | 90.41 |
| June | 90.21 | 90.25 | 90.14 | 90.03 |
| Sept | 89.91 | 89.91 | 89.80 | 89.73 |
| Dec | 89.65 | 89.65 | 89.50 | 89.50 |
| March | 89.15 | — | — | 89.15 |

Volume 1,431 (1,015)
Previous day's open int 3,176 (3,250)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 89.23 | 89.23 | 89.12 | 88.98 |
| June | 89.60 | 89.59 | 89.48 | 89.28 |
| Sept | 89.64 | 89.64 | 89.54 | 89.35 |
| Dec | 89.58 | 89.55 | 89.55 | 89.50 |

Volume 1,183 (425)
Previous day's open int 2,655 (2,578)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 99-28 | 100-03 | 99-10 | 98-26 |
| June | 99-20 | 99-20 | 99-18 | 98-19 |
| Sept | 99-09 | 99-11 | 99-09 | 98-11 |

Volume 1,652 (681)

STERLING £25,000 $ per £

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 1.5385 | 1.5410 | — | 1.5205 |
| June | 1.5325 | — | — | 1.5147 |
| Sept | 1.5325 | — | — | 1.5130 |

Volume 570 (300)
Previous day's open int 895 (996)

DEUTSCHE MARKS DM 125,000 $ per DM

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 0.4121 | 0.4126 | 0.4092 | 0.4061 |
| June | 0.4151 | 0.4161 | 0.4151 | 0.4099 |
| Sept | 0.4142 | — | — | 0.4142 |

Volume 74 (14)
Previous day's open int 259 (260)

SWISS FRANCS SwFr 125,000 $ per SwFr

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 0.4999 | 0.5005 | 0.4999 | 0.4935 |
| June | 0.5074 | 0.5074 | 0.5074 | 0.5008 |
| Sept | 0.5084 | — | — | 0.5084 |

Volume 78 (22)
Previous day's open int 263 (277)

JAPANESE YEN Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| March | 0.4238 | 0.4253 | 0.4215 | 0.4195 |
| June | 0.4275 | 0.4275 | 0.4275 | 0.4215 |
| Sept | 0.4236 | — | — | 0.4235 |

Volume 33 (28)
Previous day's open int 231 (237)

Previous day's open int 2,328 (2,304)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) −10 to −2 cum div 6/14 ex div (32nds)

### CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | 73-02 | 73-12 | 73-01 | 73-01 |
| June | 72-11 | 72-21 | 72-10 | 72-11 |
| Sept | 71-25 | 72-03 | 71-25 | 71-26 |
| Dec | 71-14 | 71-24 | 71-14 | 71-14 |
| March | 71-04 | 71-12 | 71-04 | 71-04 |
| June | 70-28 | 71-03 | 70-28 | 70-28 |
| Sept | 70-22 | 70-29 | 70-22 | 70-22 |
| Dec | 70-17 | 70-17 | 70-17 | 70-17 |
| March | 70-13 | 70-15 | 70-13 | 70-13 |
| June | — | — | — | 70-09 |

U.S. TREASURY BILLS (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | [illegible] | [illegible] | [illegible] | 91.68 |
| June | [illegible] | [illegible] | [illegible] | 91.37 |
| Sept | [illegible] | [illegible] | [illegible] | 91.12 |
| Dec | [illegible] | [illegible] | [illegible] | 90.92 |
| March | [illegible] | [illegible] | [illegible] | 90.70 |
| June | [illegible] | [illegible] | [illegible] | 90.45 |
| Sept | [illegible] | [illegible] | [illegible] | 90.10 |

CERT. DEPOSIT (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | [illegible] | [illegible] | [illegible] | 89.86 |
| June | [illegible] | [illegible] | [illegible] | 90.92 |
| Sept | [illegible] | [illegible] | [illegible] | 90.39 |
| Dec | [illegible] | [illegible] | [illegible] | 90.06 |

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | [illegible] | [illegible] | [illegible] | 90.22 |
| June | [illegible] | [illegible] | [illegible] | 89.80 |
| Sept | [illegible] | [illegible] | [illegible] | 89.54 |
| Dec | [illegible] | [illegible] | [illegible] | 89.36 |
| Feb | — | — | — | — |

STERLING (IMM) Se per £

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | [illegible] | [illegible] | [illegible] | 1.5300 |
| June | [illegible] | [illegible] | [illegible] | 1.5256 |
| Sept | [illegible] | [illegible] | [illegible] | 1.5225 |
| Dec | [illegible] | [illegible] | [illegible] | 1.5200 |
| March | — | — | — | — |
| June | — | — | — | — |

GNMA (CBT) 8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| March | [illegible] | [illegible] | [illegible] | 67-14 |
| June | [illegible] | [illegible] | [illegible] | 66-14 |
| Sept | 65-26 | 66-00 | 65-23 | 65-24 |
| Dec | 65-07 | 65-15 | 65-02 | 65-03 |
| March | 64-22 | 64-27 | 64-17 | 64-19 |
| June | 64-10 | 64-10 | 64-10 | 64-06 |
| Sept | 63-30 | 63-30 | 63-30 | 63-27 |
| Dec | 63-22 | 63-22 | 63-22 | 63-18 |
| March | — | — | — | 63-13 |
| June | — | — | — | — |
| Sept | — | — | — | — |
| Dec | — | — | — | — |

## MONEY MARKETS

# Rates ease on improved sentiment

Interest rates were lower in London yesterday, helped by an improvement in sterling against the U.S. dollar. Three-month interbank money was quoted at 11⅛-11¼ per cent at the close down from Monday's figure of 11¼-11⅜ per cent while three-month sterling CDs were lower at 11⅛-11¼ per cent compared with 11¼-11⅜ per cent. The easier trend gave rise to increased speculation over a cut in base rates but most sectors of the market agreed that it was a little too early to expect any significant downward pressure on base rates.

Latest money supply figures were also greeted with encouragement. Sterling M3 showed a rise in January of just ½ per cent compared with market estimates of nearer ¾ per cent.

Conditions in the money market were fairly relaxed with the Bank of England forecasting a shortage of around £400m, although this was later revised to £350m. The Bank gave assistance in the morning of £281m, comprising purchases of £7m of eligible bank bills in band 1 (up to 14 days) at 11 per cent, £268m in band 2 (15-33 days) at 11 per cent and £6m in band 3 (34-63 days) at 11 per cent.

Further help was given in the afternoon of £88m, making a grand total of £369m. The afternoon help comprised purchases of £88m of eligible bank bills in band 2 at 11 per cent.

Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£173m and Exchequer transactions −£220m. On the other hand there was a fall in the note circulation of £60m.

In the Interbank market overnight money opened at 11-11⅛ per cent and traded there for most of the day before slipping away to 9½ per cent. However, late balances were taken at 11⅛ per cent. Discount houses paid up to 11⅛ per cent for secured call loans but picked up balances in the afternoon down to 10 per cent.

### LONDON MONEY RATES

| Feb. 8 1983 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Company Deposits | Discount Market Deposits | Treasury Bills ♦ | Eligible Bank Bills ♦ | Fine Trade Bills ♦ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 9½-11⅛ | — | — | — | 11-11⅛ | 10-11⅛ | — | — | — |
| 2 days notice | — | — | 10⅞-11 | — | — | — | — | — | — | — |
| 7 days or ... | — | — | — | — | — | 11⅛-11½ | — | — | — | — |
| 7 days notice | — | 11-11¼ | 11-11⅛ | — | — | 11⅛ | 11 | — | — | — |
| One month | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 11¼-11⅛ | 11⅛ | 11⅛ | 11 | 11⅛ | 11-11⅛ | 11⅝ |
| Two months | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛ | 11⅛ | 10⅞-11 | 11-11⅛ | 11 | 11⅝ |
| Three months | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 11¼-11⅛ | 11⅛ | — | 10⅞-11 | 10⅞-11⅛ | 10⅞-10⅞ | 11⅛ |
| Six months | 10⅞-10⅞ | 11-11⅛ | 11⅛-11⅛ | 11-10⅞ | 11⅛ | — | — | — | 10½-10⅞ | 11⅛ |
| Nine months | 10⅞-10⅞ | 11-11⅛ | — | 11⅛-11 | 11⅛ | — | — | — | — | — |
| One year | 10⅞-10⅞ | 10⅞-11⅛ | 10⅞-11 | 11⅛-10⅞ | 11⅛ | — | — | — | — | — |
| Two years | — | — | 11⅛ | — | — | — | — | — | — | — |

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 5 to February 1 1983 (inclusive) 11.327 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11¼-11½ per cent; four years 11⅝ per cent; five years 11⅝-11⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10[29/32]-10⅞ per cent; four months trade bills 11⅞ per cent.

Approximate selling rate for one month Treasury bills 10[29/32]-11 per cent; two months 10[29/32]-11 per cent and three months 10⅞-10⅞ per cent. Approximate selling rate for one month bank bills 10[31/32] per cent; two months 10[29/32]-10[31/32] per cent and three months 10⅞-10[29/32] per cent; trade bills 10[27/32] per cent; two months 10⅞ per cent and three months 11[5/32] per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from February 1 1983. London and Scottish Clearing Bank Rates for lending 11 per cent. London Deposit Rates for sums at seven days notice 8 per cent.

Treasury Bills: Average tender rate of discount 10.2756 per cent. Certificates of Tax Deposit (Series 8) Deposits of £100,000 and over held under one month 11⅛ per cent; one-six month 11⅛ per cent; six-12-month 11 per cent. Under £100,000 10⅞ per cent from February 9. Deposits held under Series 3-5 11 per cent. The rate for all deposits withdrawn for cash 9½ per cent.

## INTEREST RATES

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Feb. 8 | Short term | 7 days notice | Month | Three Months | Six Months | One Year |
|---|---|---|---|---|---|---|
| Sterling | 11-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 11⅛-11⅛ | 10⅞-11 | 10⅞-11 |
| U.S. Dollar | 8⅝-8⅞ | 8¾-9 | 8⅞-9⅛ | 8⅞-9⅛ | 9⅛-8¾ | 9⅞-10⅛ |
| Can. Dollar | 8½-9⅛ | 9½-9½ | 8⅝-9⅝ | 8¾-10 | 10-10⅛ | 10½-10¾ |
| D. Guilder | 4¾-4⅞ | 4⅞-5 | 4⅞-4⅞ | 4⅞-5 | 4⅞-5⅛ | 5⅛-5⅛ |
| S. Franc | 2½-3 | 2¾-5⅛ | 2⅛-2⅛ | 3⅛-3⅛ | 3⅛-3⅛ | 3⅛-3⅛ |
| Deutschm'rk | 5⅛-5⅛ | 5⅛-5⅛ | 5⅛-5⅛ | 5⅛-5⅛ | 5⅛-5⅛ | 5⅛-6 |
| Fr'nch Franc | 12½-13 | 13½-13½ | 16⅛-17⅛ | 20⅛-21⅛ | 20¼-20⅛ | 18-18½ |
| Italian Lira | 16½-18 | 17½-18¼ | 18¾-20⅛ | 21½-22½ | 21⅞-22½ | 21⅛-22⅝ |
| Belg. Franc Conv. | 11-12 | 12-13 | 12½-13¾ | 13½-14 | 13¾-14¼ | 12⅞-13⅛ |
| Belg. Franc Fin. | 11½-13 | 12-12¼ | 12⅛-12⅝ | 12⅛-13½ | 12⅝-13⅛ | 12⅝-12⅝ |
| Yen | 0½-0½ | 6⅛-6¼ | 5⅝-6⅛ | 6⅛-6⅛ | 6½-6⅝ | 6⅛-6⅝ |
| D. Krone | 16¼-16⅝ | 16½-17 | 18-18½ | 18⅜-18⅞ | 18⅛-18⅝ | 18-18½ |
| Asia $ Sing. | 8¾-8⅞ | 8⅞-9 | 8⅞-9⅛ | 9⅛-9½ | 9⅞-9⅞ | 9⅞-10⅛ |

### FT LONDON INTERBANK FIXING

(11.00 a.m. FEBRUARY 8)

| 3 months U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 9 5/16 | offer 9 7/16 | bid 9 5/8 | offer 9 3/4 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

**NEW YORK**

| | |
|---|---|
| Prime rate | 11 |
| Fed funds (lunch-time) | 9⅛-8⅞ |
| Treasury bills (13-week) | 8.25 |
| Treasury bills (26-week) | 6.36 |

**GERMANY**

| | |
|---|---|
| Lombard | 2.0 |
| Overnight rate | 5.95 |
| One month | 5.75 |
| Three months | 5.85 |
| Six months | 5.925 |

**FRANCE**

| | |
|---|---|
| Intervention rate | 12.5 |
| Overnight rate | 12.5625 |
| One month | 12.6875 |
| Three months | 12.8125 |
| Six months | 12.8125 |

**JAPAN**

| | |
|---|---|
| Discount rate | 5.5 |
| Call (unconditional) | 6.65625 |
| Bill discount (3-month) | 5.84375 |

**SWITZERLAND**

| | |
|---|---|
| Discount rate | 4½ |
| Overnight rate | 1⅞-2⅞ |
| One month | 2[13/16]-3[1/16] |
| Three months | 2⅞-3⅛ |

**NETHERLANDS**

| | |
|---|---|
| Discount rate | 4½ |
| Overnight rate | 5-5⅛ |
| One month | 4⅞-5⅛ |
| Three months | 4⅞-5⅛ |
| Six months | 4¾-5⅛ |

**$ CERTIFICATES OF DEPOSIT**

| | |
|---|---|
| One month | 8.70-8.90 |
| Three months | 8.80-8.90 |
| Six months | 9.10-9.20 |
| One year | 9.60-9.70 |

**LONG TERM EURO $**

| | |
|---|---|
| Two years | 11-11⅛ |
| Three years | 11⅛-11½ |
| Four years | 11⅛-12 |
| Five years | 11⅞-12⅛ |

**SDR LINKED DEPOSITS**

| | |
|---|---|
| One month | 9-9⅛ |
| Three months | 9⅝-10 |
| Six months | 9⅝-10 |
| One year | 9⅝-10 |

**ECU LINKED DEPOSITS**

| | |
|---|---|
| One month | 10⅛-10⅝ |
| Three months | 11⅛-11⅜ |
| Six months | 11⅛-11⅝ |
| One year | 10[13/16]-11⅛ |

### Authorised Units—continued

[illegible]

### Insurances—continued

[illegible]

### Offshore and Overseas—continued

Schroder Mngt Services (Jersey) Ltd
P.O. Box 195, St Helier, Jersey. 0534 27531
Schr'der Money Funds Ltd
Sterling £13.3172
U.S. Dollar US$28.0665
Deutschmark DM50.0537
Swiss Franc SF50.0131

Daily dealings
For other Rothschild Offshore Funds see Offshore and Overseas section.



# London Clearing Banks' balances

## as at January 19 1983

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the London clearing banks and cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the monetary sector.

TABLE 1.
AGGREGATE BALANCES

| | Total outstanding £m | £m | Change on month £m | £m |
|---|---|---|---|---|
| **LIABILITIES** | | | | |
| Sterling deposits: | | | | |
| UK monetary sector | 17,976 | | +1,317 | |
| UK private sector | 50,668 | | + 266 | |
| UK public sector | 1,425 | | + 122 | |
| Overseas residents | 7,265 | | − 118 | |
| Certificates of deposit | 4,208 | | − 71 | |
| | | 81,542 | | +1,517 |
| of which: Sight | | 25,487 | | − 367 |
| Time (inc. CD's) | | 56,055 | | +1,884 |
| Foreign currency deposits: | | | | |
| UK monetary sector | 15,686 | | − 289 | |
| Other UK residents | 3,639 | | + 16 | |
| Overseas residents | 34,684 | | +1,043 | |
| Certificates of deposit | 6,280 | | − 134 | |
| | | 60,288 | | + 637 |
| Total deposits | | 141,830 | | +2,153 |
| Other liabilities* | | 16,731 | | + 583 |
| TOTAL LIABILITIES | | 158,561 | | +2,736 |
| **ASSETS** | | | | |
| Sterling | | | | |
| Cash and balances with Bank of England | | 1,272 | | − 101 |
| Market loans: | | | | |
| Discount houses | 3,122 | | + 216 | |
| Other UK monetary sector | 13,333 | | + 543 | |
| Certificates of deposit | 1,677 | | − 229 | |
| Local authorities | 1,295 | | − 12 | |
| Other+ | 1,137 | | − 88 | |
| | | 22,565 | | + 429 |
| Bills: | | | | |
| Treasury bills | 100 | | − 62 | |
| Other bills | 1,339 | | + 95 | |
| | | 1,439 | | + 33 |
| Special deposits with Bank of England | | — | | — |
| Investments: | | | | |
| British Government stocks | 2,789 | | + 54 | |
| Other | 2,889 | | + 87 | |
| | | 5,677 | | + 141 |
| Advances: | | | | |
| UK private sector+ | 51,752 | | +1,155 | |
| UK public sector | 409 | | + 19 | |
| Overseas residents | 3,811 | | + 43 | |
| | | 55,971 | | +1,217 |
| Other sterling assets* | | 9,126 | | + 277 |
| Foreign currencies | | | | |
| Market loans: | | | | |
| UK monetary sector | 15,987 | | − 206 | |
| Certificates of deposit | 612 | | − 16 | |
| Other | 24,105 | | − 236 | |
| | | 40,705 | | − 457 |
| Bills | 122 | | + 9 | |
| Advances: | | | | |
| UK private sector | 3,732 | | + 228 | |
| UK public sector | 610 | | + 21 | |
| Overseas residents | 14,096 | | + 770 | |
| | | 18,359 | | +1,119 |
| Other foreign currency assets* | | 3,324 | | + 70 |
| TOTAL ASSETS | | 158,561 | | +2,736 |
| Acceptances | | 3,015 | | + 136 |
| Eligible liabilities | | 59,586 | | +1,137 |

* Includes items in suspense and in transit.
+ Changes in these items have been adjusted to exclude the effects of the reclassification of market loans to the UK private sector and public corporations as advances (these totalled 187 at 8th December 1982).

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

| | TOTAL Out-standing £m | TOTAL Change on month £m | BARCLAYS Out-standing £m | BARCLAYS Change on month £m | LLOYDS Out-standing £m | LLOYDS Change on month £m | MIDLAND Out-standing £m | MIDLAND Change on month £m | NATIONAL WESTMINSTER Out-standing £m | NATIONAL WESTMINSTER Change on month £m | WILLIAMS & GLYN'S Out-standing £m | WILLIAMS & GLYN'S Change on month £m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | | | | | | | |
| Total deposits | 141,830 | +2,153 | 38,334 | +634 | 27,768 | +729 | 28,200 | +426 | 43,793 | +368 | 3,736 | − 4 |
| **ASSETS** | | | | | | | | | | | | |
| Cash and balances with Bank of England | 1,272 | − 101 | 379 | − 39 | 258 | + 33 | 231 | − 66 | 368 | + 3 | 36 | − 31 |
| Market loans: | | | | | | | | | | | | |
| UK monetary sector | 34,443 | + 553 | 8,222 | +277 | 7,364 | +495 | 3,893 | +183 | 14,289 | −387 | 675 | − 15 |
| Other | 28,827 | − 581 | 7,530 | − 47 | 5,648 | −362 | 6,473 | + 45 | 8,368 | −222 | 808 | + 5 |
| Bills | 1,561 | + 42 | 503 | + 29 | 428 | + 76 | 218 | −104 | 369 | + 31 | 42 | + 11 |
| British Government stocks | 2,789 | + 54 | 995 | + 24 | 451 | − 1 | 841 | + 52 | 421 | − 16 | 82 | − 3 |
| Advances | 74,330 | +2,336 | 21,466 | +292 | 14,333 | +588 | 15,589 | +454 | 20,792 | +951 | 2,149 | + 50 |

TABLE 3.
INDIVIDUAL GROUPS OF BANKS'

| | TOTAL Out-standing | TOTAL Change | BARCLAYS Out-standing | BARCLAYS Change | LLOYDS Out-standing | LLOYDS Change | MIDLAND Out-standing | MIDLAND Change | NAT WEST Out-standing | NAT WEST Change | W & G Out-standing | W & G Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ELIGIBLE LIABILITIES | 59,586 | +1,137 | 18,798 | +222 | 11,133 | +262 | 11,188 | + 44 | 16,724 | +594 | 1,743 | + 14 |